COMMITTEE OF EXPERTS ON THE EVALUATION OF ANTI-MONEY LAUNDERING MEASURES AND THE FINANCING OF TERRORISM (MONEYVAL)

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Report on Fourth Assessment Visit - Annexes

Anti-Money Laundering and Combating the Financing of Terrorism

SLOVAK REPUBLIC

26 September 2011

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- National Bank of Slovakia
- General Prosecutor's Office and special prosecutors
- Bar Association
- Slovak Chamber of Auditors
- Slovak Union of Accountants
- Bank Association and Compliance Officers of commercial banks
- Financial Intelligence Unit, Bureau of Organised Crime
- National Anti-Drug Unit, Bureau of Organised Crime
- Ministry of Justice
- Ministry of Foreign Affairs
- Customs Directorate
- Ministry of Economy
- Ministry of Finance (casino regulator; casino representatives)
- Tax Directorate of the Slovak Republic
- Ministry of Interior (registration of NPOs)
- Exchange Offices
- Judges and Business Register
- Association of Securities Traders
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- Anti-Corruption Bureau
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Terrorism, including terrorist financing	§419 CC, §297 CC
Trafficking in human beings and migrant smuggling; Sexual exploitation, including sexual exploitation of children;	§179, §180, §181, §355, §356 §200, §201, §202
Illicit trafficking in narcotic drugs and psychotropic substances;	§§ 171 – 173 CC
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ANNEX III: ACT 297 OF 2 JULY 2008 ON THE PREVENTION OF LEGALIZATION OF PROCEEDS OF CRIMINAL ACTIVITY AND TERRORIST FINANCING AND ON AMENDMENTS AND SUPPLEMENTS TO CERTAIN ACTS AS AMENDED BY THE ACTS NO. 445/2008 AND NO. 186/200

The National Council of the Slovak Republic has passed the following Act:

Article I

PART ONE
FUNDAMENTAL PROVISIONS

Section 1

Subject of Law

This Act stipulates the rights and obligations of legal entities and natural persons in the prevention and detection of legalization of proceeds of criminal activity (hereinafter referred to as "legalization") and terrorist financing.

Definition of Basic Terms

Section 2

Legalization

(1) Legalization shall be for the purposes of this Act understood intentional conduct consisting in

a) conversion of nature of property or transfer of property, knowing that the property originates from criminal activity or involvement in criminal activity, with the aim of concealing or disguising the illicit origin of the property or with the aim of assisting a person involved in the commission of such criminal activity to avoid the legal consequences of his conduct,
b) concealment or disguising of the origin or nature of property, the location or movement of property, the ownership or other title to property, knowing that the property originates from criminal activity or involvement in criminal activity,
c) acquisition, possession, use and handling of property, knowing that the property originates from criminal activity or involvement in criminal activity,
d) involvement in action under letters a) to c), even in the form of association, assistance, instigation and incitement, as well as in attempting such action.

(2) Knowledge, intention or purpose required in actions referred to in subsection 1 may result from objective factual circumstances, especially from the nature of an unusual transaction.

(3) Legalization is prohibited.

Section 3

Terrorist Financing

(1) Terrorist financing shall be for the purposes of this Act understood the provision or collection of funds with the intention of using them or knowing that they are to be used, in whole or in part, to commit:

a) the criminal offence of establishing, contriving and supporting a terrorist group or the criminal offence of terrorism or
b) the criminal offence of theft, the criminal offence of extortion or the criminal offence of counterfeiting and altering a public document, official stamp, official seal, official die, official sign and official mark or of instigating, aiding or inciting a person to commit such a criminal offence or his attempt aimed to commit a criminal offence of establishing, contriving and supporting a terrorist group or the criminal offence of terrorism.

(2) Knowledge, intention or purpose required in actions referred to in subsection 1 may result from objective factual circumstances, especially from the nature of an unusual transaction.

(3) Terrorist financing is prohibited.

Section 4
Unusual Transaction

(1) Unusual transaction shall mean a legal act or other act which indicates that its execution may enable legalization or terrorist financing.

(2) Unusual transaction shall mean especially a transaction

a) which with regard to its complexity, unusually high amount of funds or its other nature, goes apparently beyond the common framework or nature of a certain type of transaction or a transaction of a certain customer,
b) which with regard to its complexity, unusually high amount of funds or its other nature, has no apparent economic purpose or visible lawful purpose,
c) where the customer refuses to identify himself or to provide the information necessary for the obliged entity to perform customer due diligence under Sections 10 to 12,
d) where the customer refuses to provide information of the upcoming transaction or tries to provide as little information as possible or shall provide such information that obliged entity can verify with great difficulty or only with vast expenses,
e) where the customer demands its execution based on a project which raises doubts,
f) where money of low nominal value in a considerably high amount are used,
g) with a customer in whose case it can be presumed that with regard to his occupation, position or other characteristics, he is not or cannot be the owner of the required funds,
h) where the amount of funds that the customer disposes of is in apparent disproportion to the nature or scope of his business activity or financial status declared by him,
i) where there is a reasonable assumption that the customer or beneficial owner is a person on whom international sanctions are imposed under a special regulation[1] or a person who might be related to a person on whom international sanctions are imposed under a special regulation[1] or
j) where there is a reasonable assumption that its subject is or is to be an object or a service that may relate to an object or a service on which international sanctions are imposed under a special regulation.[1]

Section 5
Obliged Entity

(1) Obliged entity shall be for the purposes of this Act understood

a) a credit institution,[2]
b) a financial institution,[3] other than a credit institution, such as
   1. the Central Securities Depository,[4]
   2. a stock exchange,[5]
   3. a commodity exchange,[6]
   4. an asset management company and depository,[7]
   5. a securities dealer,[8]
   6. a financial agent, a financial adviser,[9]

[1] Act No. 460/2002 Coll. on the Application of International Sanctions Assuring International Peace Settlement and Security as amended by Act No. 127/2005 Coll.

[2] Section 5, letter (p) of Act No. 483/2001 Coll. on Banks and on Amendments and Supplements to Certain Acts, as amended

[3] Section 6, subsection 17 of Act No. 483/2001 Coll. as amended

[4] Section 99, subsection 1 of Act No. 566/2001 Coll. on Securities and Investment Services and on Amendments and Supplements to Certain Acts (Securities Act), as amended

[5] Section 2, subsection 1 of Act No. 429/2002 Coll. on Stock Exchange, as amended

[6] Section 3, subsection 1 of Act No. 92/2008 Coll. on Commodity Exchange and on Supplements to Act of the National Council of the Slovak Republic No. 145/1995 Coll. on Administrative Fees, as amended

[7] Section 3, subsection 1 and Section 81, subsection 2 of Act No. 594/2003 Coll. on Collective Investment and on Amendments and Supplements to Certain Acts, as amended

[8] Section 54, subsection 1 and Section 73, subsection 6 of Act No. 566/2001 Coll. as amended

7. a foreign collective investment entity,[10]
8. an insurance company, reinsurance company,[11] , ~~insurance broker, reinsurance broker,~~
9. a pension asset management company,[12]
10. a supplementary pension insurance company,[13]
11. a legal entity or a natural person authorized to perform exchange of foreign currency[14] or wireless foreign currency transfers or to provide foreign exchange services,[15]
12. a legal entity or a natural person authorized to trade in receivables,[16]
13. a legal entity or a natural person authorized to carry out auctions out of distrainments, [17] finance lease or other financial services under a special regulation,[18]

c) the Export-Import Bank of the Slovak Republic,[19]
d) a gambling game operator,[20]
e) a postal undertaking,[21]
f) a court distrainer,[22]
g) an administrator who manages activity within bankruptcy, restructuring proceedings or debt removal proceedings under a special regulation,[23]
h) an auditor,[24] an accountant,[17] a tax advisor,[25]
i) a legal entity or a natural person authorized to mediate sale, rent or purchase of real estate,[17]
j) an advocate[26] or notary[27]) if he provides the customer with legal services related to
1. purchase or sale of real estate or ownership interests in a company,
2. management or safekeeping of funds, securities or other property,

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[9] Section 6 to 10 of Act No. 186/2009 on financial intermediation and financial consulting on Amendments and Supplements to Certain Acts, as amended

[10] Section 4, subsection 5 of Act No. 594/2003 Coll. as amended

[11] Act No. 8/2008 Coll. on Insurance Industry and on Amendments and Supplements to Certain Acts

[12] Act No. 43/2004 Coll. on Old-Age Pension Savings and on Amendments and Supplements to Certain Acts, as amended

[13] Act No. 650/2004 Coll. on Supplementary Pension Savings and on Amendments and Supplements to Certain Acts, as amended

[14] Section 2, letter l) of Act of the National Council of the Slovak Republic No. 202/1995 Coll. on Foreign Exchange and on Amendments and Supplements to Act of the Slovak National Council No. 372/1990 Coll. on Misdemeanours, as amended

[15] Section 2, letter n), second point of Act of the National Council of the Slovak Republic No. 202/1995 Coll. as amended

[16] Act No. 455/1991 Coll. on Trade Enterprise (Trade Licensing Act) as amended

[17] Act No. 527/2002 Coll. on Voluntary auction and on Supplements to Act No. 323/1992 Coll. on Notaries and on Notarial Activities (Notarial Code) as amended

[18] Section 39 of Act No. 222/2004 Coll. on Value Added Tax as amended

[19] Act No. 80/1997 Coll. on Export-Import Bank of the Slovak Republic as amended

[20] Section 2, letter a) of Act No. 171/2005 Coll. on Gambling Games and on Amendments and Supplements to Certain Acts

[21] Section 5 of Act No. 507/2001 Coll. on Postal Services

[22] Section 2 of Act of the National Council of the Slovak Republic No. 233/1995 Coll. on Court Distrainers and Distrainment Activities (Distraintment Code) and on Amendments and Supplements to Certain Acts, as amended

[23] Act No. 8/2005 Coll. on Trustees and on Amendments and Supplements to Certain Acts as amended by Act No. 330/2007 Coll.

[24] Act No. 540/2007 Coll. on Auditors, Audit and Audit Supervision and on Amendments and Supplements to Act No. 431/2002 Coll. on Accounting, as amended

[25] Act of the Slovak National Council No. 78/1992 on Tax Advisors and on the Slovak Chamber of Tax Advisors as amended

[26] Act No. 586/2003 Coll. on Advocacy and on Amendments and Supplements to Act No. 455/1991 Coll. on Trade Enterprise (Trade Licensing Act), as amended

[27] Act of the Slovak National Council No. 323/1992 Coll. on Notaries and on Notarial Activities (Notarial Code) as amended

3. opening or management of an account with a bank or a foreign bank branch or of a securities account or

4. establishment, operation or management of a company, an association of natural persons or legal entities,[28] a special-purpose corporation[29] or another legal entity,

k) a service provider of property management or a company service provider, unless it is an obliged entity under letters h) or j),

l) a legal entity or a natural person authorized to provide the services of organizational and economic advisor, the services of public carriers and messengers or forwarding services,[17]

m) a legal entity or a natural person authorized to operate an auction hall, a legal entity or a natural person authorized to trade in works of art, collector's items, antiques, cultural monuments, items of cultural heritage,[30] precious metals or gemstones, a legal entity or a natural person authorized to place products made of precious metals or gemstones on the market[31] or a legal entity or a natural person authorized to operate a pawnshop,[17]

n) other person if so laid down by a special regulation.

(2) Obliged entity shall for the purposes of this Act also mean a branch, an organisational unit or a place of business of a foreign legal entity or a natural person referred to in subsection 1, including a representative office of a foreign credit institution and a representative office of a foreign financial institution which operate in the territory of the Slovak Republic.

(3) Obliged entity shall for the purposes of this Act also mean an entrepreneur not referred to in subsections 1 and 2 if carrying out cash transactions in amount of EUR 15,000 at least, regardless of whether the transaction is carried out in a single operation or in several linked transactions which are or may appear to be connected.

Section 6

Politically Exposed Person

(1) Politically exposed person shall be for the purposes of this Act understood a natural person who is entrusted with a prominent public function and not having permanent residence in the Slovak Republic during performance of his function and during one year after termination of performance of a prominent public office.

(2) Prominent public office shall mean:

a) head of state, prime minister, deputy prime minister, minister, head of a government agency, state secretary or a similar deputy of a minister,

b) member of Parliament,

c) judge of the supreme court, judge of the constitutional court or other high-level judicial bodies the decisions of which are not subject to further appeal, except for special cases,

d) member of the court of auditors or of the central bank board,

e) ambassador, chargé d'affaires,

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[28] For instance, Section 18, subsection 2, letter a) of the Civil Code, Act No. 116/1985 Coll. on Conditions for the Activities of Organizations with International Element in the Czechoslovak Socialist Republic as amended, Act No. 83/1990 Coll. on the Association of Citizens as amended

[29] Section 18, subsection 2, letter b) of the Civil Code, Act No. 147/1997 Coll. on Non-investment Funds and on Supplements to Act of the National Council of the Slovak Republic No. 207/1996 Coll., Act No. 213/1997 Coll. on Non-Profit Organizations Providing Generally Useful Services as amended by Act No. 35/2002 Coll., Act No. 34/2002 Coll. on Foundations and on Amendments to the Civil Code as amended

[30] For instance, Act No. 115/1998 Coll. on Museums and Galleries and on the Protection of Items Valuable for Museums and Art Galleries as amended, Act No. 183/200 Coll. on Libraries, on Supplements to Act of the Slovak National Council No. 27/1987 Coll. on State Care for Historical Monuments and on Amendments and Supplements to Act No. 68/1997 Coll. on Matica slovenská as amended, Act No. 416/2002 Coll. on the Return of Unlawfully Exported Items of Cultural Heritage as amended by Act No. 149/2005 Coll., Article 576 of Commission Regulation (EEC) No. 2454/93 of 2 July 1993, laying down provisions for the implementation of Council Regulation (EEC) No. 2913/92, establishing the Community Customs Code (special issue of the OJ of the EU, Chapter 2/ volume 6)

[31] For instance, Act No. 10/2004 Coll. on Hallmarking and Testing of Precious Metals (Hallmarking Act)

f) high-rank military officer,
g) member of executive body, supervisory body or auditing body of a state enterprise or a state-owned company or
h) a person holding a similar post in the institutions of the European Union or international organizations.

(3) Politically exposed person shall for the purposes of this Act also be understood a natural person who is

a) the spouse or a person equivalent to a status of the spouse of the person referred to in subsection 1,
b) a child, son-in law or daughter-in law of a person referred to in subsection 1 or a person having a status similar to that of son-in law or daughter-in law of a person referred to in subsection 1 or
c) a parent of a person referred to in subsection 1.

(4) Politically exposed person shall for the purposes of this Act also be understood a natural person known to be beneficial owner of

a) the same customer or to be otherwise in control of the same customer, as a person referred to in subsection 1, or runs a common business with a person referred to in subsection 1 or
b) a customer established for the benefit of a person referred to in subsection 1.

Section 7
Identification

Identification shall for the purposes of this Act be understood

a) identifying a natural person´s name, surname and birth registration number or date of birth, his address of permanent residence or other residence, nationality, type and number of his identification document; for a natural person being an entrepreneur, also identification of his place of business, business identification number, if allocated, designation of the official register or other official record in which the entrepreneur is entered and the number of registration into that register or record,
b) identifying a legal entity's business name, address of registered office, identification number, designation of the official register or other official record in which the legal entity is entered and the number of registration into that register or record and identification of a natural person who is authorized to act on behalf of the legal entity,
c) in the case of a person represented by virtue of authorization, identification of his data under letter a) or b) and identification of data of a natural person authorized to act on behalf of that legal entity or natural person to the extent of data under letter a),
d) in the case of a juvenile who possesses no identification document, identification of his name, surname and birth registration number or date of birth, permanent residence or other residence, nationality of a juvenile and his proxy or
e) upon performance by third parties under Section 13, receiving data and supporting underlying documentation from a credit institution or a financial institution.

Section 8
Verification of Identification

Verification of identification shall for the purposes of this Act be understood

a) in the case of a natural person, verification of the data under Section 7, letter a) in his identification document[32] if contained therein and verification of the appearance of the person by comparing it to the appearance on his identification document in his physical presence; in the case of a natural person being an entrepreneur also verification of the data under Section 7, letter a) on the basis of documents,

[32] For instance, Act No. 647 Coll. on Travel Documents and on Amendments and Supplements to Certain Acts, Act No. 48/2002 Coll. on the Stay of Foreign Nationals and on Amendments and Supplements to Certain Acts as amended, Act No. 224/2006 Coll. on Identification documents and on Amendments and Supplements to Certain Acts as amended

data or information obtained from the official register or other official record in which the entrepreneur is entered or from other reliable and independent source,

b) in the case of a legal entity, verification of the data under Section 7, letter b) on the basis of documents, data or information obtained from the official register or other official record in which the legal entity is entered or from other reliable and independent source and verification of the identity of a natural person who is authorized to act on behalf of the legal entity to the extent of the data under Section 7, letter a), in his physical presence and verification of the power to act on behalf of the legal entity,

c) in the case of a person represented by virtue of authorization, verification of his data to the extent of data under Section 7, letter c) on the basis of documents, data or information obtained from the submitted authorization containing an authenticated signature, from the official register or other official record or from other reliable and independent source and verification of identification of a natural person who is authorized to act on the basis of authorization to the extent under Section 7, letter a), in his identification document in his physical presence,

d) in the case of a juvenile who possesses no identification document, verification of type and number of the identification document and appearance of juvenile´s proxy present in person by comparing it to his appearance on the identification document,

e) verification of identification number or a code allocated to the customer by the obliged entity for carrying out transaction by means of technical device under a special regulation[33] provided the customer has already been identified under Section 7, letter a) to d),

f) customer identifying himself by a guaranteed electronic signature[34] provided the customer has already been identified under Section 7, letter a) to d) or

g) verification of identification in a different manner, if allowed so by a special regulation.[35]

Section 9
Other Definitions

For the purposes of this Act, the following terms shall be understood as follows

a) property means any assets irrespective of its nature, in particular movables, immovables, flats, non-residential premises, securities, receivables, legal title to the outcome of intellectual creative activities including industrial property rights, as well as legal documents and deeds certifying the legal title to property or an interest therein,

b) beneficial owner means a natural person for the benefit of whom a transaction is being carried out or a natural person who

1. has a direct or indirect interest or their total at least 25 % in the equity capital or in voting rights in a customer being a legal entity - entrepreneur including bearer shares, unless that legal entity is an issuer of securities admitted to trading on a regulated market which is subject to disclosure requirements under a special regulation,[36]
2. is entitled to appoint, otherwise constitute or recall a statutory body, majority of members of a statutory body, majority of supervisory board members or other executive body, supervisory body or auditing body of a customer being a legal entity –entrepreneur,
3. in a manner other than those referred to in subsections 1 and 2 controls a customer being a legal entity –entrepreneur,

[33] Act No. 483/2001 Coll. as amended
[34] Act No. 215/2002 Coll. on Electronic Signature and on Amendments and Supplements to Certain Acts as amended
[35] Section 48 of Act of the Slovak National Council No. 323/1992 Coll., Section 89, subsection 2 of Act No. 483/2001 Coll.
[36] Act No. 566/2001 Coll. as amended

4. is a founder, a statutory body, a member of a statutory body or other executive body, supervisory body or auditing body of a customer being a corporation or is entitled to appoint, otherwise constitute or recall those bodies,
5. is a beneficiary of at least 25% of funds supplied by a corporation, provided the future beneficiaries of those funds are designated or
6. ranks among those persons for whose benefit a corporation is established or operates, unless the future beneficiaries of funds of the corporation are designated,

c) service provider of property management or company service provider means an entrepreneur who provides third persons with any of the following services:
   1. establishment of companies or other legal entities,
   2. acting as a statutory body, a member of a statutory body, a person falling within the managing powers of a statutory body or its member, a person acting per procura, head of an organisational unit of a branch or other organisational unit of an enterprise, a liquidator of a company or acting in a similar position in relation to third persons or arranging such activity by another person,
   3. providing a registered office, address of a registered office, correspondence address and other related services for legal entities and special-purpose corporations irrespective of their legal personality which manage and distribute funds,
   4. acting as a manager of a corporation or arranging such activity by another person,
   5. acting as an authorized nominee shareholder for a third person other than an issuer of securities admitted to trading on a regulated market which is subject to disclosure requirements under a special regulation,[37] or arranging such activity by another person,
d) shell bank means a credit institution or a financial institution which is incorporated into a commercial register or a similar register in a state where neither its registered office nor management is physically present and which is not associated in a regulated financial group,
e) customer means a person who
   1. is a party to a contractual relationship associated with business activity of an obliged entity,
   2. engaged in an action based on which he is to become a party to a contractual relationship associated with business activity of an obliged entity,
   3. in dealings with an obliged entity, represents a party to a contractual relationship associated with business activity of an obliged entity or
   4. on the basis of other facts is authorized to dispose of the object of a contractual relationship associated with business activity of an obliged entity,
f) corporation means a customer being a foundation,[37] non-profit organization providing generally useful services,[38] non-investment fund[39] or another special-purpose corporation irrespective of its legal personality which manages and distributes funds,
g) business relationship means a contractual relationship between an obliged entity and a customer including any activities related to this relationship of which at the time of establishing a contact is expected to contain an element of duration and further performance or repeated performance,
h) transaction means establishment, change or termination of a contractual relationship between an obliged entity and its customer and any business operation of a customer or on behalf of a customer or disposal of property of a customer or on behalf of a customer which relate to activity of an obliged entity including an operation carried out by a customer on behalf of his own name and his own account,

[37] Act No. 34/2002 Coll. as amended
[38] Act No. 213/1997 Coll. as amended by Act No. 35/2002 Coll.
[39] Act No. 147/1997 Coll.

i) type of transaction means a group of transactions within activities of an obliged entity, having specific features or contractual terms of its providing by an obliged entity,
j) criminal activity means a criminal activity[40] perpetrated in the territory of the Slovak Republic or outside the territory of the Slovak Republic.

PART TWO
CUSTOMER DUE DILIGENCE

Section 10
Customer Due Diligence

(1) Customer due diligence shall include
a) identification of a customer and verification of his identification,
b) with regard to the risk of legalization or terrorist financing, identification of the beneficial owner and taking adequate measures to verify his identification including measures to determine the ownership structure and management structure of a customer being a legal entity or a corporation ,
c) obtaining information on the purpose and intended nature of the business relationship,
d) conducting ongoing monitoring of the business relationship including scrutiny of particular transactions carried out during the business relationship for the purpose of determination whether the transactions being carried out are consistent with the obliged entity's knowledge of the customer, his business profile and review of possible customer–related risks and depending on the risk of legalization or terrorist financing, determining the source of funds and ensuring that the obliged entity's documents, data and information held on the customer are kept up-to-date.

(2) Obliged entity shall be obliged to perform customer due diligence
a) at the moment of establishment of a business relationship,
b) when carrying out an occasional transaction outside a business relationship worth at least EUR 15,000 regardless of whether the transaction is carried out in a single operation or in several linked operations which are or may be connected,
c) if there is a suspicion that the customer is preparing or carrying out an unusual transaction regardless of the amount of the transaction,
d) when there are doubts about the veracity or completeness of customer identification data previously obtained or
e) where concerning withdrawal of a cancelled final balance of bearer deposit.

(3) Obliged entity shall be obliged to perform identification of a customer and verification of his identification also in case of carrying out a transaction the amount of which reaches at least EUR 2,000 unless concerning any of the case under subsection 2.

(4) Obliged entity shall determine the extent of customer due diligence with adequacy to the risk of legalization or terrorist financing. The risk of legalization or terrorist financing for the purposes of this Act, shall be considered by the obliged entity with regard to the customer, type of transaction, business relationship or a particular transaction. When controlled, the obliged entity shall prove that the extent of customer due diligence performed is adequate, depending on the risk of legalization or terrorist financing.

(5) A customer shall provide the obliged entity with information and documents necessary to perform customer due diligence or identification and verification of identification under subsection 3.

(6) Obliged entity shall be obliged to verify identification of the customer being a natural person and identification of each person acting on behalf of the customer being a legal entity before establishing the business relationship or carrying out the transaction, in their physical presence unless otherwise laid down by this Act.

[40] Penal Code

(7) Verification of the customer's identification and taking measures to verify identification of the beneficial owner may be completed during the establishment of a business relationship if this is necessary not to interrupt the common conduct of business and where there is a low risk of legalization or terrorist financing. In such cases the obliged entity shall be obliged to complete verification of the customer's identification and taking measures to verify the beneficial owner without delay after the customer is for the first time physically present at the obliged entity.

(8) Obliged entity shall verify the validity and completeness of identification data and information under subsection 1 depending on the risk of legalization or terrorist financing, also during business relationship and shall record their changes.

(9) Verification of identification of a person who is entitled to receive life insurance benefit and who is subject to obligation of identification under subsection 2, letter a) must be completed at the latest at the time the entitled person shall exercise rights vested under the life insurance policy or when the insurance benefit is being paid out.

(10) Obliged entity shall determine when carrying out customer due diligence whether the customer acts in his own name. If finding out that the customer does not act in his own name, the obliged entity shall ask the customer to submit a binding written statement to prove name, surname, birth registration number or date of birth of a natural person or business name, registered office and identification number of a legal entity on whose behalf the transaction is being carried out; the obliged entity shall follow the same procedure also in case if there are doubts whether the customer acts in his own name.

(11) Obliged entity shall be obliged depending on the risk of legalization or terrorist financing to take measures to determine whether the customer is a politically exposed person.

Section 11
Simplified Due Diligence

(1) Obliged entity shall not be obliged to perform customer due diligence

a) if the customer is a credit institution or a financial institution under Section 5 subsection 1, letter b) of point 1 to 10 which operates in the territory of a EU Member State or other state party to the European Economic Area Treaty (thereinafter referred to as "Member State"),
b) if the customer is a credit institution or a financial institution which operates in the territory of a third country which imposes them obligations in the area of the prevention and detection of legalization and terrorist financing equivalent to obligations laid down by this Act and with regard to performance of those duties they are supervised,
c) if the customer is a legal entity whose securities are negotiable on a regulated market in a Member State or is a company which operates in the territory of a third country which imposes them obligations in the area of the prevention and detection of legalization and terrorist financing equivalent to obligations laid down by this Act and being subject to disclosure requirements equivalent to requirements those under a special regulation,[37]
d) to the extent of identification and verification of identification of the beneficial owner if a pooled account is managed by a notary or an advocate who operates in the Member State or in a third country which imposes obligations in the area of the prevention and detection of legalization and terrorist financing equivalent to obligations laid down by this Act and if the data on identification of the beneficial owner are available, on request, to the obliged entity that keeps this account,
e) if the customer is a Slovak public authority,
f) if the customer is a public authority and if
    1. it has been entrusted with public functions under the European Union Treaty, under agreements of the European communities or secondary legal acts of the European communities,
    2. its identification data are publicly available, transparent and there are no doubts about their correctness,
    3. its activity is transparent,

4. its bookkeeping provides an accurate and true view of the subject of bookkeeping and its financial standing and
5. it accounts to a European communities institution or a Member State authority or there exist other appropriate procedures which ensure control of its activity.

(2) Obliged entity shall not be obliged to perform customer due diligence upon

a) life insurance policy if the premium in the calendar year is no more than EUR 1,000 or the single premium is no more than EUR 2,500,
b) a policy for retirement pension insurance with a pension asset management company entered in the retirement pension insurance policies register,[41]
c) supplementary pension savings,
d) electronic money under a special regulation,[42] if the maximum amount stored in the electronic payment device which is impossible to recharge shall not exceed EUR150, if the total amount of transaction shall not exceed EUR 2,500 in the calendar year concerning the electronic payment device which is possible to recharge except the case if the bearer converts an amount higher than EUR 1,000 in the same calendar year or
e) types of transaction posing a low risk of being exploited for legalization or terrorist financing and meeting the following conditions:
   1. contract on provision of the type of transaction is in writing,
   2. payments within the type of transaction are carried out solely via an account held on the customer´s name in a credit institution in a Member State or a third country which performs measures in the area of the prevention and detection of legalization and terrorist financing equivalent to measures laid down by this Act,
   3. neither the type of transaction nor payments within the scope of the type of transaction are not anonymous and their nature enables detection of an unusual transaction,
   4. a maximum limit of amount of EUR 15,000 is determined for the type of transaction,
   5. proceeds of the transaction cannot be carried out for the benefit of a third party, except cases of death, disability, the attainment of a pre-determined age or other similar event,
   6. where concerning the types of transaction which allow for investments into financial assets or receivables including insurance or other type of contingent receivables, proceeds may be realized only in the long time period, the type of transaction cannot be used as a guarantee, the type of transaction does not enable express payments and the business relationship cannot be rescinded or terminated prematurely.

(3) Obliged entity shall be obliged to verify whether according to information on the customer or the transaction available to the obliged entity, there is no suspicion that the customer is preparing or carrying out an unusual transaction and whether it is the case of simplified due diligence. If there is a suspicion that the customer is preparing or carrying out an unusual transaction and in doubts whether it is the case of simplified due diligence, the obliged entity shall be obliged to perform customer due diligence.

Section 12
Enhanced Due Diligence

(1) Obliged entity shall be obliged to perform enhanced due diligence if according to the information available, some of the customers, some of the types of transaction or some particular transaction represents a higher risk of legalization or terrorist financing. In the case of enhanced due diligence, the obliged entity shall perform, in addition to customer due diligence, further measures depending on the risk of legalization or terrorist financing.

(2) Enhanced customer due diligence shall be performed

a) in the cases if the customer is not physically present for the purposes of identification and verification of identification to the following extent:

[41] Section 2 of Act 43/2004 Coll. as amended
[42] Section 21 of Act 510/2002 Coll. as amended

1. performing the customer's identification by means of additional documents, data or information and carrying out further measures to verify or certify the documents submitted,
2. requiring a written certification from another credit institution or financial institution that the customer is its customer or
3. ensuring that the first payment is carried out through a customer´s account which the customer has opened in the credit institution,

b) in the case of cross-border correspondent banking relationship with a credit institution from other than a Member State to the following extent:
1. collecting information about a respondent credit institution for the purpose of determining the nature of its business and determining its reputation and efficiency of supervision from publicly available information,
2. assessing control mechanisms of a respondent credit institution in the area of the prevention and detection of legalization and terrorist financing,
3. obtaining approval from a senior management member before establishing a new correspondent banking relationship,
4. ascertaining the respondent credit institution's authorizations to perform its activities,
5. where concerning payable-through account, ascertaining whether a respondent credit institution has verified the identification of a customer and performed customer due diligence on the customer having a direct access to the respondent credit institution´s account and whether the respondent credit institution is able to provide relevant customer due diligence data upon request,

c) in the case of transaction with a politically exposed person to the following extent:
1. obtaining approval from a senior management member before establishing a business relationship with a politically exposed person,
2. performing measures to detect the origin of property and origin of funds of transaction,
3. ongoing and detailed monitoring of the business relationship.

Section 13

Performance by Third Parties

(1) Obliged entity may receive data and documentation under Section 10, subsection 1, letter a) to c) which are necessary to perform customer due diligence from a credit institution or a financial institution under Section 5, subsection 1, letter b, points 1 to 10 which operates in the territory of a Member State.

(2) A credit institution or a financial institution which has already performed customer due diligence shall without delay supply data in the scope of Section 10, subsection 1, letter a) to c), including copies of the respective documentation to an obliged entity proceeding under subsection 1 and providing for the receipt of data.

(3) The application of the procedure under subsection 1 shall not release the obliged entity from liability for the performance of customer due diligence under this Act.

(4) Business relationships of obliged entities with persons acting for the obliged entity on the basis of a contractual relationship other than employment shall not be regarded as performance by third parties.

PART THREE
PROCEDURE TO BE FOLLOWED AFTER DETECTING AN UNUSUAL TRANSACTION AND OTHER DUTIES OF OBLIGED ENTITIES

Section 14

Detection of an Unusual Transaction

(1) Obliged entity shall be obliged to consider whether the transaction being prepared or carried out is unusual.

(2) Obliged entity shall be obliged to pay special attention to

a) all complex, unusually large transactions and all transactions of unusual nature which have no apparent economic purpose or visible lawful purpose while obliged entity is obliged to examine the purpose of those transactions to the most possible extent,
b) any risk of legalization or terrorist financing that may arise from a type of transaction, a particular transaction or new technological procedures while carrying out transactions that may support anonymity and is obliged to take appropriate measures, if needed to prevent their use for the purposes of legalization and terrorist financing.

(3) Obliged entity is obliged to write up a written report on transactions under subsection 2, letter a) which is required to be made available when a control is being conducted under Section 29.

Section 15

Refusal of Establishment of a Business Relationship, Termination of a Business Relationship or Refusal of Carrying out Transaction

Obliged entity shall be obliged to refuse to establish a business relationship, terminate a business relationship or refuse to carry out a particular transaction if

a) obliged entity may not perform customer due diligence in the scope of under Section 10, subsection 1, letter a) to c) for reasons on the part of the customer or
b) the customer refuses to prove on whose behalf he acts.

Section 16

Postponement of an Unusual Transaction

(1) Obliged entity shall be obliged to postpone an unusual transaction to the time the unusual transaction is reported to a special unit of the service of the financial police of Police Force (thereinafter referred to as the "Financial Intelligence Unit").

(2) Obliged entity shall be obliged to postpone an unusual transaction if there is a danger that its execution may hamper or substantially impede seizure of proceeds of criminal activity or funds intended to finance terrorism or if so requested by the Financial Intelligence Unit in writing, until reception of notification from the Financial Intelligence Unit to carry out the transaction, at maximum 48 hours; after expiration of this period the obliged entity shall be obliged to postpone the unusual transaction on the basis of the Financial Intelligence Unit's notification that the case has been submitted to law enforcement authorities, at maximum for another 24 hours. The period of postponement of the unusual transaction shall exclude Saturdays and days of rest. Obliged entity shall immediately inform the Financial Intelligence Unit about postponement of the unusual transaction.

(3) Obliged entity shall not postpone an unusual transaction if

a) it is impossible to be postponed due to operational or technical reasons; obliged entity shall immediately inform the Financial Intelligence Unit about this fact or
b) postponement may, according to prior warning by the Financial Intelligence Unit, hamper the processing of the unusual transaction.

Section 17

Unusual Transaction Reporting

(1) Obliged entity shall be obliged to report to the Financial Intelligence Unit an unusual transaction or attempt to make such a transaction without undue delay. Obliged entity shall report to the Financial Intelligence Unit without undue delay also refusal to carry out the required unusual transaction under Section 15.

(2) Reporting duty shall be fulfilled at the moment of submission of an unusual transaction report in a manner ensuring that the information contained therein remain undisclosed to unauthorized person, namely

a) in person,
b) in writing,

c) electronically or
d) by phone if the matter brooks no delay; such a report is necessary to file also in person, in writing or electronically within three days from receipt of the phone call by the Financial Intelligence Unit.

(3) An unusual transaction report shall include:

a) obliged entity's business name, registered office or place of business and identification number,
b) data obtained by the identification of persons to whom the unusual transaction concerns,
c) data about the unusual transaction, especially the reason of its unusualness, the time sequence of events, account numbers, information when the accounts were opened, who their owner is and who has the right of disposal to them, photocopies of documents on the basis of which the accounts were opened, identification data of persons authorized to dispose of the accounts, photocopies of the concluded contracts and other related documents and information, as well as other information that may be related to the unusual transaction and are essential for its further examination,
d) data on third persons possessing information on the unusual transaction,
e) name and surname of the person under Section 20, subsection 2, letter h), and phone contact to this person.

(4) An unusual transaction report must not include data about the employee who detected the unusual transaction.

(5) Obliged entity shall be obliged to notify additional information to the unusual transaction report and provide thereto-related documentation on the unusual transaction to the Financial Intelligence Unit on the basis of a written request.

(6) Compliance to report an unusual transaction to the Financial Intelligence Unit under subsection 1 shall not be restricted by the obligation of keeping secrecy specified by the law under a special regulations.[43]

(7) The reporting of an unusual transaction shall not affect the obligation to report facts indicating the commission of a criminal offence.

Section 18

Obligation of Keeping Secrecy about a Reported Unusual Transaction

(1) Obliged entity, employee of obliged entity, as well as person acting on behalf of obliged entity on the basis of another contractual relationship, shall be obliged to keep secret about reported unusual transaction and measures being taken by the Financial Intelligence Unit in relation to third persons including persons to whom such information relates. Obligation of keeping secrecy shall also apply to the performance of other duties by obliged entity under Section 17, subsection 5 and Section 21.

(2) Employees of the National Bank of Slovakia and of the Ministry of Finance of the Slovak Republic (hereinafter referred to as the "Ministry") shall be obliged to keep secret about the facts they have learned during the conduct of control under Section 29 in relation to third persons including persons to whom such information concerns.

(3) Obligation of keeping secrecy of persons referred to in subsections 1 and 2 shall also remain after the termination of employment, similar labour relationship or another contractual relationship.

[43] For instance, the Commercial Code, Act No. 92/2008 Coll., Act of the Slovak National Council No. 323/1992 Coll. as amended, Act of the Slovak National Council No. 511/1992 Coll. on the Administration of Taxes and Fees and Modifications in the System of Local Financial Authorities as amended, Act of the National Council of the Slovak Republic No. 10/1996 Coll. on Control in State Administration as amended, Act No. 150/2001 Coll. on Tax Authorities and on Amendments and Supplements to Act No. 440/2000 Coll. on Financial Control Reports as amended, Act No. 483/2001 Coll. as amended, Act No. 507/2001 Coll. on Postal Services as amended, Act No. 540/2001 Coll. on State Statistics as amended by Act no. 215/2004 Coll., Act No. 566/2001 Coll. as amended, Act No. 8/2008 Coll., Act No. 428/2002 Coll. on Personal Data Protection as amended, Act No. 429/2002 Coll. as amended, Act No. 540/2007 Coll., Act No. 586/2003 Coll. as amended, Act No. 594/2003 Coll. as amended, Act No. 610/2003 Coll. on Electronic Communications as amended, Act No. 382/2004 Coll. on Experts, Interpreters and Translators and on Amendments and Supplements to Certain Acts as amended.

(4) Obligation of keeping secrecy shall be kept by any person who, in the course of performance of tasks of the Financial Intelligence Unit or in relation to them, becomes aware of information obtained under this Act.

(5) Obligation of keeping secrecy may not be invoked by the obliged entity towards the National Bank of Slovakia and the Ministry during the conduct of supervision and control under Section 29.

(6) The Financial Intelligence Unit shall relieve the obliged entity of the obligation of keeping secrecy if it concerns proceedings before

a) law enforcement authorities,
b) a civil court,
c) an authority authorized under a special regulation[44] to decide on a initiative for revocation of a licence for the conduct of business or other independent profitable activity under Section 34.

(7) The Financial Intelligence Unit shall relieve the obliged entity of the obligation of keeping secrecy if it concerns proceedings regarding compensation for damage under Section 35 and proceedings before an administrative authority deciding upon an appeal against a decision rendered within the administrative procedure for a breach of the obligation laid down by this Act provided it is necessary for those proceedings and it shall not hinder the processing of the unusual transaction.

(8) Provided that the disclosed information is used exclusively for the purposes of the prevention of legalization or terrorist financing, the obligation of keeping secrecy under subsection 1 shall not apply to the sharing of information between

a) credit institutions or financial institutions operating in the territory of a Member State or in the territory of a third country which imposes on them obligations in the area of the prevention and detection of legalization and terrorist financing equivalent to the obligation laid down by this Act, and belonging to the same financial conglomerate,[45]
b) obliged entities under Section 5, subsection 1, letter h) and j) which operate in the territory of a Member State or in the territory of a third country which imposes on them obligations in the area of the prevention and detection of legalization and terrorist financing equivalent to the obligation laid down by this Act, provided they perform their activity as employees within the same legal entity or group of legal entities sharing common ownership, management or compliance control,
c) between credit institutions, financial institutions, obliged entities under Section 5, subsection 1, letter h) and j) in cases related to the same customer and the same transaction involving two or more institutions or persons, provided that they operate in the territory of a Member State or in the territory of a third country which imposes on them obligations in the area of the prevention and detection of legalization and terrorist financing equivalent the obligation laid down by this Act, and they are obliged entities of the same type and are subject to equivalent measures for complying with obligation of keeping secrecy and personal data protection.

(9) Information under subsection 8 may be exchanged between obliged entities even without the consent of the persons concerned.[46]

(10) Provided the obliged entity under Section 5, subsection 1, letter h) to j) acts with the intention to prevent a customer from committing illegal act, this action shall not be deemed a breach of the obligation of keeping secrecy under subsection 1.

(11) The State authorities under Section 26, subsection 3 shall be obliged to keep secret about information and documentation provided to them under Section 26, subsection 3.

Section 19

Data Processing and Record-Keeping

(1) For the purposes of performing customer due diligence, obliged entity shall be authorized, even without the consent of and notification to the persons concerned, to detect, obtain, record, keep, use or

[44] For instance, Act No. 455/1991 Coll. as amended
[45] Section 49b of Act No. 483/2001 Coll. as amended
[46] Section 4, subsection 5 and Section 7, subsection 3 of Act No. 428/2002 Coll.

otherwise process[47] personal data and other data to the extent under Section 10, subsection 1 and Section 12, subsections 1 and 2; in doing so, the obliged entity is authorized to obtain personal data necessary to achieve the purpose of processing by copying, scanning or other recording of official documents on a data carrier and process birth registration numbers and other data and documents without the consent of the person concerned[48], to the extent under Section 10, subsection 1 and Section 12, subsections 1 and 2.

(2) The obliged entity shall be obliged to keep for a period of five years

a) following the termination of its business relationship with the customer, data and written documents obtained under Section 10 to 12,
b) from the moment of the carrying out a transaction, all data and written documents about it.

(3) Obliged entity shall be obliged to keep data and written documents under subsection 2 even for a period longer than five years if the Financial Intelligence Unit requests so in writing; the Financial Intelligence Unit shall specify in a request a period and extent to which the data and written documents shall be kept.

(4) Obligations under subsections 2 and 3 shall relate also to a person who ceases to act as an obliged entity until the expiry of the period during which an obliged entity shall be obliged to keep the data and written documents under subsections 2 and 3.

Section 20

Obliged Entity's Own Activity Programme

(1) Obliged entity shall be obliged to prepare in writing and update its own activity programme aimed at the prevention of legalization and terrorist financing (hereinafter referred to as the "Programme") in the state language[49]. The obliged entity shall be obliged to update the Programme in connection with any change in the scope of business of the obliged entity.

(2) The Programme must contain

a) overview of the forms of unusual transactions, according to the scope of business of the obliged entity,
b) way of performing customer due diligence,
c) a method of risk assessment and risk management under Section 10, subsection 4,
d) a procedure applied while evaluating whether the transaction being prepared or carried out is unusual,
e) a procedure applied from the moment of detecting an unusual transaction to its immediate reporting to the Financial Intelligence Unit including procedure and responsibility of employees evaluating the unusual transaction,
f) a procedure applied while postponing an unusual transaction under Section 16,
g) a procedure applied for the keeping of data under Section 19,
h) appointment of a person who is liable for the prevention of legalization and terrorist financing and provides reporting of unusual transactions and ongoing contact with the Financial Intelligence Unit,
i) the manner of ensuring the protection of employees who detect unusual transactions,
j) the content and schedule for special training of employees who may, in the course of performance of their occupation, come into contact with an unusual transaction,
k) the manner of performing control of compliance with the Programme and obligations of the obliged entity under this Act.

(3) Obliged entity shall be obliged to provide for special training of employees aimed to make them aware of the Programme, at least once a calendar year and always before assignment of an employee to a job position requiring the fulfilment of tasks under this Act. The obliged entity shall be obliged to ensure that the Programme is permanently available to each employee performing the tasks under this Act.

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[47] Section 4, subsection 1 letter a), b) and c), Section 7, subsection 3, subsection 5, the second sentence and subsection 6, the second sentence, Section 8 , subsection 2 of Act No. 428/2002 Coll.

[48] Section 10, subsection 6 of Act No. 428/2002 Coll.

[49] Act of the National Council of the Slovak Republic No. 270/1995 Coll. on the State Language of the Slovak Republic as amended

(4) Obliged entity under Section 5, subsection 1, letter e), h) to k), who performs, on a contractual basis, activity under this Act exclusively for another obliged entity shall not be required to prepare its own Programme, provided it follows the Programme of the obliged entity for whom it performs activities on a contractual basis.

Section 21

Other Obligations of Obliged Entity

Obliged entity shall be obliged to provide the Financial Intelligence Unit for performance of its tasks under this Act with data on transactions, submit thereto-related documents and provide information on persons involved in any way in a transaction, if the Financial Intelligence Unit requests so in writing; the Financial Intelligence Unit shall specify a deadline in its request.

Section 22

Special Provisions relating to Advocates and Notaries

(1) The provisions of Section 17, subsections 1 and 5 and Section 21 shall not apply to an advocate if it concerns the information about the customer obtained from the customer or in any other way during or in connection with

a) processing legal analysis,
b) defending the customer in criminal law proceedings,
c) representing the customer in court proceedings or
d) providing legal advice related to the proceedings referred to at letters b) and c) including legal consulting on the commencement or prevention of the proceedings referred to at letters b) and c), regardless of whether such information was received or obtained prior to, during or after such proceedings.

(2) The provisions of Section 17, subsections 1 and 5 and Section 21 shall not apply to a notary if it concerns the information about the customer obtained from the customer or in any other way during or in connection with the provision of legal advice related to the proceedings referred to in subsection 1 letter b) and c) including legal consulting on the commencement or prevention of the proceedings referred to in subsection 1 letter b) and c), regardless of whether such information was received or obtained prior to, during or after such proceedings.

Section 23

Special Provisions relating to Auditors, Accountants and Tax Advisors

The provisions of Section 17, subsections 1 and 5 and Section 21 shall not apply to an auditor, an accountant who performs its activities as an entrepreneur and a tax advisor if it concerns the information about the customer obtained from the customer or in any other way during or in connection with the provision of legal advice related to the proceedings referred to in Section 22, subsection 1, letter b) and c) including legal consulting on the commencement or prevention of the proceedings referred to in Section 22, subsection 1, letter b) and c), regardless of whether such information was received or obtained prior to, during or after such proceedings.

Section 24

Special Provisions relating to Credit and Financial Institutions

(1) A credit institution shall be prohibited from entering into a correspondent banking relationship or continuing in it with a shell bank or a credit institution that is known to have entered into a correspondent banking relationship with a shell bank or with a credit institution which does not perform measures against legalization and against terrorist financing equivalent to the obligations laid down by this Act.

(2) A credit institution and a financial institution shall be obliged to refuse to establish a business relationship, to carry out a particular transaction or a type of transaction that maintains the customer's anonymity.

(3) A credit institution and a financial institution shall be obliged to perform, in its branches and subsidiaries where having a majority ownership and which are located outside the territory of a Member

State, measures equivalent to performing customer due diligence under Sections 10 to 12 and record keeping under Section 19; for this purpose, it shall make them aware of its Programme. If the legislation of a third country does not permit application of such equivalent measures, the obliged entity shall be obliged to inform the Financial Intelligence Unit about it and take additional measures to prevent legalization or terrorist financing.

(4) A credit institution and a financial institution shall be obliged to put in place electronic systems to be able to provide the Financial Intelligence Unit, without undue delay, on request with information on whether it maintains or has maintained a business relationship with a particular person over the past five years and on the nature of that business relationship.

(5) The rights and obligations imposed by this Act on credit institutions shall, while carrying out transactions under a special regulation[50], also apply to the National Bank of Slovakia, except for the provisions of Section 29, subsection 1, Section 32 and 33.

PART FOUR
Corporations

Section 25

(1) A corporation shall be obliged to identify a beneficial owner. For the purposes of identification of the beneficial owner, the corporation shall maintain a written list of beneficial owners. Provided future beneficiaries of the corporation have not yet been determined, it is possible to identify only the category of persons for whose benefit the corporation was established or for whose benefit it operates.

(2) A corporation shall be obliged to submit the list of beneficial owners to the obliged entity, provided the obliged entity requests so in writing, for customer due diligence purpose; that list shall also be submitted to the Financial Intelligence Unit, if requested so in writing.

(3) The Financial Intelligence Unit shall be entitled to conduct a control under Section 29 in a corporation for the purpose of identification of the beneficial owner and verification of the veracity and correctness of data listed in the list of beneficial owners and for the purpose of checking disposal of property. During such a control the corporation shall have the same obligations as the obliged entity under Section 30.

PART FIVE
POSITION AND TASKS OF THE FINANCIAL INTELLIGENCE UNIT AND OTHER AUTHORITIES

Section 26

The Financial Intelligence Unit

(1) The Financial Intelligence Unit shall serve as a national unit for the area of the prevention and detection of legalization and terrorist financing.

(2) The Financial Intelligence Unit shall

a) receive, analyze, evaluate and process unusual transaction reports and other information related to legalization or terrorist financing for fulfilling the tasks under this Act or under a special regulation,[51]
b) submit a case to law enforcement authorities if the facts indicate that a criminal offence has been committed,
c) require and control the compliance to obligations of obliged entities laid down by this Act,
d) submit the initiative for imposition of a fine on an obliged entity due to infringement or non-performance of obligations with an authority which is under a special regulation[52] authorized to fine the legal entity, unless that authority itself deals with the case under Sec. 32 or 33,

[50] Act of the National Council of the Slovak Republic No. 566/1992 Coll. on the National Bank of Slovakia as amended

[51] Section 2 of Act of the National Council of the Slovak Republic No. 171/1993 Coll.

e) submit initiative for revocation of an obliged entity's licence for the conduct of business or other independent profitable activity of the obliged entity due to repeated infringement or non-performance of obligations imposed by this Act on an authority which is authorized to decide on the revocation of the licence under a special regulation,[45]
f) require feedback on the way of handling the proposals and initiatives submitted and on the measures adopted by the authorities with which a proposal for imposition of a fine or an initiative for revocation of a licence has been filed under letters c) and d); those authorities shall be obliged to inform the Financial Intelligence Unit,,
g) keep secret about the content and origin of information obtained from an obliged entity having fulfilled its reporting obligation and ensure protection of information thus obtained if not laid down otherwise by this Act,
h) disclose information on the forms and ways of legalization and terrorist financing and the methods of recognizing unusual transactions,
i) inform the obliged entity on the efficiency of unusual transaction report and on the procedures that follow the receipt of unusual transaction report unless there is a threat of hampering the processing of the unusual transaction,
j) provide the tax administrator with information obtained by performing its reporting obligation provided that such information substantiates the commencement of tax proceedings or is essential for the ongoing tax proceedings unless the fulfilment of the Financial Intelligence Unit's tasks is endangered.

(3) The Financial Intelligence Unit shall provide all information and documents obtained under this Act to the state authorities that fulfil tasks in the area of constitutional establishment protection, internal order and state security for fulfilment of tasks given by law in combating terrorism and organized criminal activity. The information provided shall not contain data about the source.

(4) If a suspicion of breach of keeping secrecy obligation under Section 18, subsection 11 appears, the state authorities under subsection 3 shall be obliged, on the basis of request by the Financial Intelligence Unit, to provide information and documents regarding the manner of handling the information and documents provided under subsection 3.

Section 27
Statistical Data Keeping

(1) The Financial Intelligence Unit shall keep summary statistical data covering the number of unusual transaction reports received, the particular ways of processing unusual transaction reports and their number including the number of cases submitted to law enforcement authorities or tax administrators for a calendar year and the number of persons prosecuted, the number of persons convicted of legalization of proceeds from criminal activity and the value of seized property, confiscated property or forfeited property and once a year shall publish a summary review of that statistical data in an annual report. Reports of the Financial Intelligence Unit shall comprise information on its activities.

(2) The Financial Intelligence Unit is authorized, for the purposes of statistical data keeping, to require public authorities and obliged entities to supply all documents and information necessary to keep that statistical data.

(3) Public authorities and obliged entities shall be obliged to provide data necessary for statistical data keeping, free of charge, on a complete and accurate basis and within deadlines determined by the Financial Intelligence Unit.

Section 28
International Cooperation

[52] For instance, Act No. 455/1991 Coll. as amended, Act of the National Council of the Slovak Republic No. 566/1993 Coll. as amended, Act No. 483/2001 Coll.

(1) The Financial Intelligence Unit shall cooperate with the respective authorities of the Member States and the European Commission, the Council of the European Union and the Secretariat of the Council of the European Union, especially in the exchange and verification of information necessary to prevent and detect legalization and terrorist financing.

(2) The Financial Intelligence Unit shall cooperate with the authorities of other states to the extent and upon the terms laid down in international treaty binding on the Slovak Republic or on the grounds of the non-contractual reciprocity principle.

(3) The Financial Intelligence Unit may also cooperate with international organizations involved in the area of the prevention and detection of legalization of proceeds of criminal activity and terrorist financing.

Control

Section 29

(1) Control of compliance to obligations of obliged entities laid down by this Act shall be performed by the Financial Intelligence Unit.

(2) Control of compliance to obligations may also be performed with a person who has ceased to be obliged entity to the extent of obligations that arose from law at the time of its being an obliged entity.

(3) Control of compliance to obligations laid down by this Act shall also be also performed by the National Bank of Slovakia with obliged entities subject to supervision by the National Bank of Slovakia under a special regulation,[53] and with obliged entities subject to surveillance by the Ministry under a special regulation,[54] also by the Ministry.

(4) Prior to the commencement of a control under subsection 3, the National Bank of Slovakia and the Ministry shall notify the Financial Intelligence Unit of the business name, place of business or registered office, identification number and type of obliged entity under Section 5 which is to be controlled and after the control is completed, result of the control and measures taken. If a control conducted by the National Bank of Slovakia or the Ministry detects an unusual transaction or other facts that may be associated with legalization or terrorist financing, the Financial Intelligence Unit shall be without undue delay informed about it.

(5) On the basis of mutual agreement, the Financial Intelligence Unit may control an obliged entity for compliance to obligations arising from this Act jointly with the National Bank of Slovakia or the Ministry.

Section 30

(1) Obliged entity shall be obliged to create appropriate conditions for the Financial Intelligence Unit for the conduct of control, provide it with all necessary cooperation and refrain from any actions that may hamper the execution of the control.

(2) Obliged entity shall be obliged, for the purposes of control of compliance to obligations under this Act, to allow the Financial Intelligence Unit to have access to their written documents or information technology equipment, other equipment and records on data carriers, to look into them, make excerpts from them, notices and copies; an official record shall be made about it. The obliged entity shall be obliged to provide professional written expertise related to its scope of business activities.

(3) Obliged entity shall be obliged to provide the Financial Intelligence Unit upon request with information and written documents concerning the performance of obligations under Section 20 for a period of the past five years.

(4) Obligation under subsection 3 shall also apply to a person for a period of five years since he ceased to be an obliged entity.

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[53] Section 1, subsection 3, letter a) of Act No. 747/2004 Coll. on Supervision of the Financial Market and on Amendments and Supplements to Certain Acts as amended, Section 2, letter n) of Act of the National Council of the Slovak Republic No. 202/1995 Coll.

[54] Section 10, subsection 2, letter b) of Act No. 171/2005 Coll.

(5) Control under this Act shall not be subject to a general regulation on control in state administration.[55]

Section 31

Notification Obligation of Authorities performing Supervision, Control, State Supervision or State Surveillance

Authority performing supervision, control, state supervision or state surveillance over activities of obliged entities shall notify the Financial Intelligence Unit without undue delay of any suspicion of breach of this Act or an unusual transaction, if it detects suspicion of breach of this Act or an unusual transaction while performing its scope of powers.

PART SIX
ADMINISTRATIVE OFFENCES AND MEASURES

Section 32

Misdemeanours

(1) Any person who breaches keeping secrecy obligation under Section 18 shall commit a misdemeanour.

(2) A fine of up to EUR 3,319 may be imposed for committing a misdemeanour under subsection 1.

(3) A misdemeanour under subsection 1 shall be dealt with by the Financial Intelligence Unit.

(4) Misdemeanours and dealing with them shall be subject to a general regulation on misdemeanours.[56]

Section 33

Other Administrative Offences

(1) The Financial Intelligence Unit shall impose on a legal entity and a natural person–entrepreneur a fine of up to

a) EUR 165,969 for failure or breach to comply with any of the obligations laid down by this Act under Section 10 subsection 1 to 4, 6 to 11, Section 11 subsection 3, Sections 12, Section 14 to 17 and Section 20,
b) EUR 99,581 for failure or breach to comply with any of the obligations laid down by this Act under Section 18 subsection 1, Section 19 subsection 2 to 4, Section 21, Section 24 subsection 1 to 4, Section 30 subsection 1 and 2;
c) EUR 66,387 for failure or breach to comply with obligation laid down by this Act unless it is referred to in letters a) or b).

(2) The Financial Intelligence Unit shall impose on a legal entity and a natural person–entrepreneur a fine of up to EUR 331,939

a) for an administrative offence under subsection 1, letter a) and b) provided the obligation shall not be complied or shall be breached for 12 consecutive months,
b) if an administrative offence under subsection 1 shall hamper or substantially impede seizure of proceeds of criminal activity,
c) which repeatedly breaches an obligation for which a fine under subsection 1 has been imposed in three years preceding.

(3) In the determination of the amount of a fine, the Financial Intelligence Unit shall take into consideration the seriousness, duration and consequences of the unlawful conduct and, if appropriate, repeated non-performance or breach of obligations laid down by this Act or on its basis.

[55] Act of the National Council of the Slovak Republic No. 10/1996 Coll. on Control in State Administration as amended

[56] Act of the Slovak National Council No. 372/1990 Coll. on Misdemeanours as amended

(4) A fine under subsection 1 or 2 may be imposed within one year following the date when a breach of an obligation was detected by the Financial Intelligence Unit, at the latest 5 years following the date after a breach of an obligation occurred.

(5) Proceedings regarding administrative offences shall be subject to a general administrative procedure regulation.[57]

Section 34

Initiative to Revoke a Licence for the Conduct of Business or Other Independent Profitable Activity

If the Financial Intelligence Unit detects that an obliged entity shall, for more than 12 consecutive months or repeatedly, not comply to or breach obligations laid down by this Act, it shall file an initiative with the authority authorized to decide on the revocation of a licence for the conduct of business or other independent profitable activity under special regulation;[45] that authority shall be obliged, within 30 days following the receipt of the initiative, to inform the Financial Intelligence Unit in writing of the way of handling the initiative.

PART SEVEN
LIABILITY FOR DAMAGE

Section 35

(1) Neither an obliged entity nor its employee and a person who acts on behalf of the obliged entity on the basis of other contractual relationship shall be liable for damage caused by reporting an unusual transaction or its postponement if they proceeded in good faith. In case of doubt, it shall stand that the obliged entity, its employee or the person who acts on behalf of the obliged entity on the basis of other contractual relationship while reporting an unusual transaction or its postponement have proceeded in good faith.

(2) Liability for damage shall be borne by the State. Indemnities shall be paid by the Ministry of Interior of the Slovak Republic, representing the State.

(3) Any claim for indemnity caused by reporting an unusual transaction or its postponement shall be preliminarily negotiated on the basis of a written request of the injured party for preliminarily negotiation of the claim (hereinafter referred to as "request") with the Ministry of Interior of the Slovak Republic.

(4) If the Ministry of Interior of the Slovak Republic shall not satisfy a claim for indemnity or a part, within 3 months following the receipt of a request, the injured party may seek satisfaction of the claim or of its unsatisfied part in a court.

(5) When requested by the Ministry of Interior of the Slovak Republic, any person shall be obliged to notify in writing without undue delay all facts that are essential for preliminary negotiation of the claim and for judicial proceeding concerning indemnity.

(6) During preliminary negotiation of the claim under subsection 3, the period of limitation for indemnity shall not flow from the date of request until the end of negotiation, at maximum during three months.

(7) Legal relations on indemnity caused by reporting an unusual transaction or its postponement shall be subject to a general regulation on indemnity,[58] unless this Act stipulated otherwise.

PART EIGHT
INTERIM AND FINAL PROVISIONS

Section 36

Interim Provisions

[57] Act No. 71/1967 Coll. on Administrative Procedure (Administrative Procedure Code) as amended
[58] Sections 415 to 459 of the Civil Code

(1) Obliged entity shall perform customer due diligence under Section 10 and enhanced due diligence under Section 12 also in relation to the existing customers depending on the risk of legalization or terrorist financing by 31 December 2009.

(2) Own activity Programme aimed at the prevention of legalization adopted by an obliged entity prior to 1 September 2008 shall be deemed as being an obliged entity's own activity Programme under this Act until 31 December 2008.

(3) Obliged entities shall prepare obliged entity´s own activity Programme under Section 20 by 31 December 2008.

(4) A corporation shall be obliged to prepare a written list of beneficial owners by 28 February 2009 at the latest.

(5) A credit institution and a financial institution shall be obliged to put in place electronic systems under Section 24, subsection 4 by 31 August 2009 at the latest.

(6) The imposition of fines for administrative offences stipulated by a legal regulation effective until 31 August 2008 which occurred prior to 1 September 2008 shall be subject to the provisions of a legal regulation effective until 31 August 2008.

Section 37

This Act transposes the legal acts of the European Communities and the European Union as listed in the annex.

Section 38

Repealing Provision

Act No. 367/2000 Coll. On Protection against Legalisation of proceeds of criminal activities and on Amendments and Supplements to Certain Acts as amended by Act No. 566/2001 Coll., Act No. 445/2002 Coll., Act No. 171/2005 Coll. and Act No. 340/2005 Coll. shall be repealed.

Article II

Act of the National Council of the Slovak Republic No. 171/1993 Coll. on the Police Force as amended by Act of the National Council of the Slovak Republic No. 251/1994 Coll., Act of the National Council of the Slovak Republic No. 233/1995 Coll., Act of the National Council of the Slovak Republic No. 315/1996 Coll., Act No. 353/1997 Coll., Act No. 12/1998 Coll., Act No. 73/1998 Coll., Act No. 256/1998 Coll., Act No. 116/2000 Coll., Act No. 323/2000 Coll., Act No. 367/2000 Coll., Act No.490/2001 Coll., Act No.48/2002 Coll., Act No.182/2002 Coll., Act No.422/2002 Coll., Act No.155/2003 Coll., Act No.166/2003 Coll., Act No. 458/2003 Coll., Act No. 537/2004 Coll., Act No. 69/2005 Coll., Act No. 534/2005 Coll., Act No. 558/2005 Coll., Act No. 255/2006 Coll., Act No. 25/2007 Coll., Act No. 247/2007 Coll., Act No. 342/2007 Coll. and Act No. 86/2008 Coll. shall be amended and supplemented as follows:

1. In Section 2, subsection 1, letter c), the conjunction "and" shall be replaced by a comma and the words "legalization of incomes from illegal activities [1])" shall be replaced by the words "legalization of proceeds of criminal activity and terrorist financing[1]".

The footnote to reference 1 shall read as follows:

"1) Act No. 297/2008 Coll. on the Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing and on Amendments and Supplements to Certain Acts."

2. In the heading of Section 29a, the conjunction "and" shall be replaced by a comma and the words "and terrorist financing" shall be inserted at the end.

3. Section 29a Subsection 5 shall read as follows:

"(5) The special unit of the service of the financial police shall fulfil tasks in the prevention and detection of legalization of proceeds of criminal activity and terrorist financing under a special regulation.[1])".

4. In Section 36, the words "and terrorist financing" shall be inserted behind the words "of criminal activity".

5. In section 72a), the words “and terrorist financing” shall be inserted behind the words “legalization of proceeds of criminal activity”.

Article III

Act No. 483/2001 Coll. on Banks and on Amendments and Supplements to Certain Acts as amended by Act No. 430/2002 Coll., Act No. 510/2002 Coll., Act No.165/2003 Coll., Act No. 603/2003 Coll., Act No. 215/2004 Coll., Act No. 554/2004 Coll., Act No.747/2004 Coll., Act No.69/2005 Coll., Act No. 340/2005 Coll., Act No.341/2005 Coll., Act No. 214/2006 Coll., Act No. 644/2006 Coll., Act No. 209/2007 Coll. and Act No.659/2007 Coll. shall be amended and supplemented as follows:
In Section 89 subsection 4 the amount of “EUR 2,500” shall be replaced by the amount of “EUR 2,000”.

Article IV

Act No. 429/2002 Coll. on Stock Exchange as amended by Act No. 594/2003 Coll., Act No. 43/2004 Coll., Act No. 635/2004 Coll., Act No. 747/2004 Coll., Act No. 209/2007 Coll. and Act No. 8/2008 Coll. shall be amended and supplemented as follows:

1. In Section 14, subsection 1, the words “and of terrorist financing” shall be inserted at the end.
2. Reference 21 and the footnote to reference 21 shall be deleted.

Article V

Act No. 586/2003 Coll. on Advocacy and on Amendments and Supplements to Act No. 455/1991 Coll. on Trade Enterprise (Trade Licensing Act), as amended, as amended by Act No. 8/2005 Coll., Act No. 327/2005 Coll. and Act No. 331 /2007 Coll. shall be amended and supplemented as follows:

In Section 23, subsection 1, the words ”unless a special regulation in the area of the prevention and detection of legalization of proceeds of criminal activity and terrorist financing[13a] provides otherwise“ shall be inserted at the end.

The footnote to reference 13a shall read as follows:

“Act No. 297/2008 Coll. on the Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing and on Amendments and Supplements to Certain Acts”.

Article VI

Act No. 581/2004 Coll. on Health Insurance Companies, Supervision of Health Care and on Amendments and Supplements to Certain Acts as amended by Act No. 719/2004 Coll., Act No. 353/2005 Coll., Act No. 538/2005 Coll., Act No. 660/2005 Coll., Act No. 25/2006 Coll., Act No.282/2006 Coll., Act No. 522/2006 Coll., Act No. 12/2007 Coll., Act No. 215/2007 Coll., Act No. 309/2007 Coll., Act No. 358/2007 Coll., Act No. 330/2007 Coll., Act No.530/2007 Coll. and Act No. 594/2007 Coll. shall be amended and supplemented as follows:

1. In Section 3, subsection 2, letter b), the words “and of terrorist financing” shall be inserted at the end.
2. Reference 5 and the footnote to reference 5 shall be deleted.

Article VII

Act No. 8/2005 Coll. on Administrators and on Amendments and Supplements to Certain Acts as amended by Act No. 330/2007 Coll. shall be amended and supplemented as follows:

Subsection 3 of Section 5, including the footnote to reference 5, shall be deleted.

Article VIII

This Act shall enter into force as of 1 September 2008.

Ivan Gašparovič, signed
Pavol Paška, signed
Robert Fico, signed

Annex to Act No. 297/2008 Coll.

LIST OF TRANSPOSED LEGAL ACTS OF THE EUROPEAN COMMUNITIES AND THE EUROPEAN UNION

1. European Parliament and Council Directive 2005/60/EC of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (EU OJ L 309, 25 November 2005, p. 15)
2. Commission Directive 2006/70/EC of 1 August 2006, laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of "politically exposed person" and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis (EU OJ L 214, 4 August 2006, p. 29)

ANNEX IV: ACT NO. 460 OF 2 JULY 2002 ON THE APPLICATION OF INTERNATIONAL SANCTIONS ASSURING INTERNATIONAL PEACE AND SECURITY, SUPPLEMENTED AND AMENDED BY ACT NO. 127 OF 16 MARCH 2005

1. Act of 2 July 2002 on implementing international sanctions to secure international peace and security

The National Council of the Slovak Republic has ruled as follows:

§ 1
Object of the Act
This Act regulates the implementation of international sanctions to secure international peace and security, as well as competences of public service bodies in respect of imposition of sanctions for violation of the responsibilities under this Act in the business and non-financial services, transport, posts and telecommunications sectors, in technical infrastructure, in scientific, technical, cultural and sports relations.

§2
Imposition of sanctions
(1) If United Nations Security Council or Council of the European Union (hereinafter "international body" takes a decision on international sanctions to maintain or restore international peace and security residing in the restrictions, orders or prohibitions as mentioned in §§ 4 through 8, international sanctions in the Slovak Republic shall be announced by a Regulation of the Government of the Slovak Republic.
(2) Where the international body repeals a decision on international sanctions which contributed to maintaining or restoring international peace and security, the Government of the Slovak Republic shall repeal the Regulation issued under paragraph 1.
(3) Everybody shall be liable to abide by international sanctions announced by the Government of the Slovak Republic under this Act.

§ 3
Definition of terms
For the purposes of this Act,
a) "international sanction" shall mean a set of restrictions, orders or prohibitions introduced to maintain or restore international peace and security under
1. decision of the United Nations Security Council adopted under art. 41 of the United Nations Charter (hereinafter referred to as "decision"); or
2. common positions of the Council of the European Union acceded by the Slovak Republic based on the call of the European Communities (hereinafter „common position ") ,
b) "sanctioned territory" in a decision or common position shall mean the determined territory, fully or partly controlled by a sanctioned person, including the airspace and coastal waters,
c) "sanctioned person" shall mean the person identified in the decision or common position -
1. a natural person living in the sanctioned territory,
2. another natural person or another organised power and representatives thereof usually dwelling in the sanctioned territory, save Slovak Republic nationals,
3. a legal entity with principal offices in the sanctioned territory,
d) "Slovak person" shall mean
1. the Slovak Republic,
2. a national of the Slovak Republic,

3. another natural person dwelling in the territory of the Slovak Republic pursuant to a separate law,[59]
4. a legal entity[60] with the principal office in the territory of the Slovak Republic, including territorial self-governing units,[61]
e) "goods" shall mean any chattels, including raw materials and electric energy, products or services, save articles of cultural value regardless of whether provided against compensation or free,
f) "sanctioned goods" in a decision or common position shall mean determined goods owned by, in possession of or otherwise controlled by a sanctioned person,
g) "Slovak goods" shall mean goods owned by, in possession of or otherwise controlled by a Slovak person,
h) "other goods" shall mean goods which are not Slovak goods or sanctioned goods,
i) "transport vehicle" shall mean a facility suitable to transport mainly persons, luggage, goods mentioned in letter e), or mail,

j) "sanctioned person's transport vehicle" shall mean also transport vehicles sailing under the flag of, matriculated, owned by, in possession of, used or otherwise controlled by a sanctioned person or to the benefit thereof,
k) "Slovak transport vehicle" shall mean also any transport vehicle sailing under the flag of, matriculated, owned by, in possession of, used of otherwise controlled by a Slovak person or to the benefit thereof,
l) "another transport vehicle" shall mean any transport vehicle which is not a Slovak transport vehicle or a transport vehicle of a sanctioned person,
m) "article of cultural value" shall mean
1. any work of art and articles of museum value and gallery value,[62]
2. any national cultural monument[63] and groups thereof,
3. historical library documents and historical book stock,[64]
4. registered assets of churches and religious societies,[65]
5. archive documents,[66]
n) "control" shall mean effective actual or legal opportunity to materially influence by one's actions, the actions of another person, use or exploitation of an article or course of events in a certain territory,
o) "implementing regulation" shall mean a decision made by the international body by which a range of international sanctions was imposed upon sanctioned territory or sanctioned person.

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[59] Act No.48/2002Coll.LL. on residence of foreign nationals and on amendments and supplements to some laws.
[60] 2) § 18 of Civil Code.
[61] Act of the Slovak National Council No. 369/1990 Coll. on municipal system, as amended from time to time.
Act No.302/2001 Coll. LL. on regional self-governments (Regional Self-Governments Act), as amended by Act No.445/2001 Coll.LL.
[62] Act No. 115/1998 Coll.LL. on museums and galleries, and on the protection of articles of museum value and gallery value, as amended by Act No. 387/2001 Coll.LL.
[63] Act No.49/2002 Coll.LL. on the protection of monuments.
[64] § 19 of Act No.183/2000 Coll.LL. on libraries, and on additions to Act of the Slovak National Council No. 27/1987 Coll. on state care of monuments and on additions to Act No.68/1997 Coll.LL. on Matica slovenská (Slovak Cultural Society).
[65] Act No.308/1991 Coll. on freedom of religious faith and on the position of churches and religious societies.
[66] Act No.149/1975 Coll. on archives, as amended from time to time.

§ 4
Business and non-financial services
International sanction in the sector of business and non-financial services shall mainly be restriction, order or prohibition of
a) imports[67] or purchases of sanctioned goods, their sales or any other handling of them by Slovak persons or in the Slovak territory,
b) exports,[68] sales or allowing other handling of Slovak goods by sanctioned person or in sanctioned territory,
c) transit of Slovak goods across sanctioned territory and transit of sanctioned goods across the territory of the Slovak Republic,
d) passage of other goods across the territory of the Slovak Republic to sanctioned territory or intended to sanctioned person,
e) any other performance by Slovak persons to the benefit of sanctioned person in sanctioned territory, including any deals with them,
f) provision of accommodation or catering services to sanctioned person in the territory of the Slovak Republic, or
g) provision of tourist services by a Slovak person in sanctioned territory.

§ 5
Financial services
International sanction in the financial services sector shall mainly be restriction, order or prohibition of
a) transmittal of money from accounts kept in banks or foreign bank branches to sanctioned persons, to be performed in the territory of the Slovak Republic or to be performed by a Slovak Republic national, another natural person dwelling in the territory of the Slovak Republic or a legal entity with the principal offices in the territory of the Slovak Republic,
b) interest to be paid on funds on accounts mentioned in letter a),
c) any other provision of funds, financial and economic resources by Slovak persons or from the territory of the Slovak Republic to sanctioned person, or
d) making or performing under insurance policies to the benefit of sanctioned person.

§ 6
Transport, posts, and telecommunications
(1) International sanction in the transport sector shall mainly be restriction, order or prohibition of
a) allowing Slovak transport vehicles to enter sanctioned territory,
b) allowing other transport vehicles to enter the territory of the Slovak Republic from sanctioned territory or to enter sanctioned territory from the territory of the Slovak Republic, where justified suspicion exists that sanctioned goods or sanctioned person are carried by the transport vehicle in question,
c) sanctioned person's transport vehicles passing the state borders of the Slovak Republic for the purpose of crossing the territory of the Slovak Republic or exiting the territory of the Slovak Republic,

d) any physical or legal disposition with transport vehicles of sanctioned person dwelling in the territory of the Slovak Republic,
e) provision to sanctioned person of Slovak transport vehicles, or
f) carrying out repairs and modifications and provision to sanctioned person of spare parts, components or tools needed for repairs or modifications of transport vehicles.

[67] § 2 letter n) of Act No.238/2001 Coll.LL., Customs Act, as amended by Act No.553/2001 Coll.LL.
[68] § 2 letter o) of Act No.238/2001 Coll.LL.

(2) International sanction in the posts and telecommunications sector is mainly restriction, order of prohibition of

a) acceptance for transport from the territory, to the territory or across the territory of the Slovak Republic of mail, parcels or other consignments carried by postal enterprise[69] to sanctioned territory or intended to sanctioned person,

b) allowing telephone, telegraph or other similar connection with sanctioned person or sanctioned territory,

c) radio, TV or other broadcasting[70] to sanctioned territory.

§ 7

Technical infrastructure

International sanction in the technical infrastructure sector shall mainly be restriction, order or prohibition of supplies of energies, raw materials, machines and their parts and components, materials, computer equipment, including technologies and know-how, and other facilities needed to produce them, from or across the territory of the Slovak Republic to sanctioned person or sanctioned territory.

§ 8

Scientific, technical cultural and sports relations

(1) International sanction in respect of scientific and technical relations is mainly restriction, order or prohibition of

a) implementation of scientific research or technical research, programmes or projects with the joint involvement of Slovak persons and sanctioned person,

b) provision of devices and equipment by Slovak persons or from the territory of the Slovak Republic to sanctioned person for the purpose of their use for scientific research or technical research, programme or project,

c) provision to sanctioned person or to sanctioned territory of information on scientific research and technical research, programmes and projects of Slovak persons and their results in any form, including provision of information via facsimile, electronic means or by telephone, unless such information are publicly available,[71] or

d) making patents available or granting patent rights[72] owned by Slovak persons to sanctioned person.

(2) International sanction in respect of cultural relations shall mainly be restriction, order or prohibition of

a) provision by Slovak persons or from the Slovak territory to sanctioned person or sanctioned territory of articles of cultural value,

b) acceptance by Slovak persons or in the Slovak territory from sanctioned person or from sanctioned territory of articles of cultural value, unless such acceptance is for short period of time only for the purpose of salvation, protection or maintenance of articles of cultural value directly threatened due to war conflict or natural disaster, or return to Slovak person of articles of cultural value,

c) staging by Slovak persons of public cultural event[73] for exclusively sanctioned person or in sanctioned territory, or

d) granting by Slovak persons to sanctioned person of copyright or other materially related rights.[74]

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[69] § 5 of Act No.507/2001 Coll.LL. on postal services.

[70] Act No.308/2000 Coll.LL. on broadcasting and retransmission and on amendments to Act No. 195/2000 Coll.LL. on telecommunications, as amended by Act No. 147/2001 Coll.LL.

[71] Act No.211/2000 Coll.LL. on free access to information and on amendments and additions to some laws (Free Access to Information Act).

[72] Act No.435/2001 Coll.LL. on patents, additional certificates of protection, and on amendments and additions to some laws (Patent Act).

[73] Act of the Slovak National Council No.96/1991 Coll. on public cultural events.

(3) International sanction in respect of sports relations shall be restriction, order or prohibition of
a) participation of persons or groups representing sanctioned person in sports events organised in the territory of the Slovak Republic or by Slovak persons,
b) participation of Slovak persons or groups representing the Slovak Republic in sports events organised by sanctioned person or in sanctioned territory.

§ 9

Exceptions from the sanction regime

The provisions of this Act shall not be used to
a) provision of health care,[75]
b) humanitarian aid unless restricted by decision, binding resolution or common position of relevant international bodies (§ 2 par.1); such aid mainly includes supplies of
1. food,
2. clothes,
3. medicinal drugs,
4. medical materials, or
5. other humanitarian needs to protect health and rescue lives of persons not involved in activities which were the reason for imposing international sanction,
c) provision of social assistance benefits, state social allowances, pension insurance benefits, sickness insurance benefits, material security benefits to job seekers, and allowances for payments of social security insurance and allowances for state employment policy, and insurance premium towards general health insurance,
d) payments of wages, payments en lieu of wages, severance payments and other payments under employment or equivalent contracts,
e) payments of alimonies,
f) damages caused by activity which is not in causative relation with the implementation of international sanctions under this Act, and to payments of associated insurance premium,
g) acquisition of articles inherited from sanctioned person,
h) payment by sanctioned person of receivables unless they has arisen by violation of international sanctions, or
i) enforcement of decision and to general commitments under international agreements.

§ 10

Administrative infractions

(1) The following penalties may be imposed in accordance with a separate Act[76] upon legal entities and natural persons – entrepreneurs for violation of restrictions, orders or prohibitions imposed under §§4 through 8 announced by government regulation:
a) fine up to Sk 5,000,000,
b) confiscation of article.

(2) Natural persons who own or legally hold rights to industrial or other intellectual property[14,16] and have violated a restriction, order or prohibition as mentioned in § 8 par.1 letter d) and §8 par.2 letter d) may be imposed upon fines up to Sk 100,000 Sk.

(3) Where especially important foreign policy or security interests of the Slovak Republic were violated or threatened by an action as mentioned in paragraph 1, fines up to Sk 20,000,000 may be imposed.

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[74] Act No.383/1997 Coll.LL., Copyright Act, and act which amends and supplements Customs Act, as amended from time to time, as amended by Act No.234/2000 Coll.LL.

[75] Act of the National Council of the Slovak Republic No.277/1994 Coll.LL. on health care, as amended from time to time.

[76] § 2 of Act No.513/1991 Coll., Commercial Code, as amended from time to time.

(4) Sanctions may be imposed within three years of the date on which the authority competent to impose sanctions acquired knowledge of the person who committed an act as mentioned in paragraphs 1 through 3, but not later than ten years after the date when the action was committed. In imposing sanctions, account shall be taken of the severity, method, duration and consequences of the illicit action.
(5) Decision on confiscation of articles may be made separately or in combination with a fine. Articles may be confiscated provided that they are owned by the person who violated a restriction or prohibition under §§4 through 8 of this Act, announced by government regulation and which
a) were used or intended to commit an illicit action that violates these obligations,
b) were acquired by such action or received in compensation for such action, or
c) were acquired en lieu of an article mentioned in letter b).
(6) The ownership of confiscated articles shall go over to the state.
(7) The authority competent to make decisions under paragraphs 1 and 2 within the scope of its jurisdiction[77] shall be
a) Ministry of Economy of the Slovak Republic,
b) Ministry of Transport, Posts and Telecommunications of the Slovak Republic,
c) Ministry of Culture of the Slovak Republic,
d) Ministry of Education of the Slovak Republic,
e) Ministry of Interior of the Slovak Republic,
f) Industrial Property Authority of the Slovak Republic.
(8) Where the matter is not subject to the jurisdiction of the bodies mentioned in paragraph 3, the authority competent to make decisions under paragraphs 1 and 2 shall be Ministry of Finances of the Slovak Republic.
(9) The authority competent to make decisions in rem shall be liable to obtain, prior to issuing the decision, position of the Ministry of Foreign Affairs of the Slovak Republic on the extent and intensity of the violation of foreign policy or security interests of the Slovak Republic. Ministry of Foreign Affairs of the Slovak Republic shall be liable to present the authority with its position within ten business days after the receipt of a request for position.
(10) Yields of fines shall represent revenues of the State Budget.
(11) Unless provided differently by this Act, the sanction-imposing procedure mentioned in paragraphs 1 and 2 shall be subject to general regulations on administrative proceedings;[78] remonstrance against a decision shall have no suspensory effect.

Common and repealing provision
§ 11
Details of sanctioned persons and sanctioned territories to which government regulation relates shall be laid down by a generally binding legal regulation to be issued by Ministry of Foreign Affairs of the Slovak Republic.

§ 12
The following shall be repealed:
1. § 56a of Act No. 42/1980 Coll. on economic relations with other countries, as amended by Act No. 483/2001 Coll.LL.
2. Regulation of the Government of the Slovak Republic No.273/2002 Coll.LL. which announces sanctions of the United Nations Security Council.

[77] Act No.575/2001 Coll.LL. on the organisation of government's activities and organisation of central public service.
[78] Act No.71/1967 Coll. on administrative procedures (Administrative Rules).

§ 13
Effectivity
This Act shall become effective on 1 September 2002.

Rudolf Schuster s.m.
Jozef Migaš s.m.
Mikuláš Dzurinda s.m.

2. Act of 16 March 2005 which amends and supplements Act No. 460/2002 Coll.LL. on implementing international sanctions to secure international peace and security

The National Council of the Slovak Republic has adopted the following law:

Art. I

Act No.460/2002 Coll.LL. on implementing international sanctions to secure international peace and security shall be amended and supplemented as follows:

1. The word "of some" shall be inserted after the word "implementation" to §1.
2. §§ 2 and 3 shall read as follows:

„§2
Definition of terms
For the purposes of this Act,
a) "international sanction" shall mean a set of restrictions, orders or prohibitions introduced to maintain or restore international peace and security under
1. decision of the United Nations Security Council adopted under art. 41 of the United Nations Charter (hereinafter referred to as "decision"); or
2. single actions of the European Union Council (hereinafter "the Council") under art. 14 of the European Union Treaty (hereinafter "single action"), and common positions of the Council in accordance with art. 15 of the European Union Treaty (hereinafter „common position "); or
3. an emergency measure taken under art. 60 and 301 of the European Union Treaty (hereinafter "emergency measure"),
b) "sanctioned territory" in a decision, common position, single action or emergency measure shall mean the determined territory, including the airspace and coastal waters,
c) "sanctioned person" shall mean the person identified in the decision, single action, common position or emergency measure -
1. a natural person living in the sanctioned territory,
2. another natural person or another organised power and representatives thereof usually dwelling in sanctioned territory, save Slovak Republic nationals,
3. a legal entity with principal offices in sanctioned territory.
d) "Slovak person" shall mean
1. the Slovak Republic,
2. a national of the Slovak Republic,
3. another person dwelling in the territory of the Slovak Republic pursuant to a separate law,[1)]
4. a legal entity[2)] with the principal office in the territory of the Slovak Republic,
e) "goods" shall mean any chattels, including raw materials and electric energy, products or services, save articles of cultural value regardless of whether provided against compensation or free,
f) "sanctioned goods" in a decision, single action or emergency measure shall mean determined goods owned by or in possession of sanctioned person,
g) "Slovak goods" shall mean goods owned by or in possession of a Slovak person,
h) "other goods" shall mean goods which are not Slovak goods or sanctioned goods,
i) "transport vehicle" shall mean a facility suitable to transport mainly persons, luggage, goods mentioned in letter e), or mail,
j) "sanctioned person's transport vehicle" shall mean also transport vehicles, matriculated, owned by, in possession of or used by sanctioned person or to the benefit thereof,
k) "Slovak transport vehicle" shall mean also any transport vehicle matriculated, owned by, in possession of or used by a Slovak person or to the benefit thereof,
l) "another transport vehicle" shall mean any transport vehicle which is not Slovak transport vehicle or a transport vehicle of sanctioned person,
m) "article of cultural value" shall mean
1. any work of art and articles of museum value and gallery value,[4)]

2. any national cultural monument[5)] and groups thereof,
3. historical library documents and historical book stock,[6)]
4. registered assets of churches and religious societies,[7)]
5. archive documents.[8)]

§3

(1) By Government Regulation, the Government of the Slovak Republic shall announce

a) decision, unless the Council has taken it over by common position or single action,

b) international sanction directed against nationals of the European Union Member States nationals or against legal entities with the principal offices in the territory of a European Union Member State,

c) common position or single action not implemented by the Council by emergency measure.

(2) Everybody shall be obligated to abide by international sanctions imposed by the Government of the Slovak Republic under this Act.

(3) Where the United Nations Security Council or the Council have repealed decisions on international sanctions under §2 letter a), the Government of the Slovak Republic shall repeal Government Regulations by which decisions on international sanctions were imposed in the territory of the Slovak Republic under §2 letter a).".

3. Footnote to reference 3) shall be omitted.

4. The footnote to reference 8) shall read as follows:

„8) Act No..395/2002 Coll.LL. on archives and registries and on additions to some laws, as amended by Act No. 515/2003 Coll.LL.".

5. The words "by binding resolution or common position of the relevant international bodies (§2 par. 1) in §9 letter b) shall be replaced by the words " „by decision, common position, single action and emergency measure".

6. Paragraphs 1 and 2 of §10 shall read as follows:

„(1) For violation of an international sanction or for violation of a sanction announced by Government Regulation issued under §3, the competent authority according to paragraph 7 shall make a decision to impose upon legal entities or natural persons - entrepreneurs

a) a penalty of between Sk 100,000 and Sk 10,000,000,

b) confiscation.

(2) Authors,[18)] patent owners or other natural persons whose rights to intellectual property are protected by a separate regulation, may be imposed penalties of between Sk 100,000 and Sk 500,000 for transferring such rights upon another person or giving consent for they being used or exploited in contradiction with an international sanction or Government Regulation.".

7. In the footnote to reference 18, reference „§2 of Act No.513/1991 Coll. Commercial Code, as amended from time to time", shall be replaced by the reference "§6 of Act No. 618/2003 Coll.LL. on copyrights and rights related to copyrights (Copyright Act).".

8. The footnote to reference 18a shall read as follows:

„18a)Act No. 435/2001 Coll.LL. on patents, additional certificates of protection, and on amendments and supplements to some laws (Patent Act), as amended by Act No.402/2002 Coll.LL.
Act No.478/1992 Coll. on applied design, as amended from time to time.
Act No.444/2002 Coll.LL. on designs.
Act No.55/1997 Coll.LL. on trademarks, as amended from time to time.".

9. §11 shall be omitted.

10. §12a shall be inserted after §12, which reads as follows:

„§12a
Regulation of the Government of the Slovak Republic No. 707/2002 Coll.LL. which announces international sanctions securing international peace and security, as amended by Regulation of Government of the Slovak Republic No. 185/2003 Coll.LL., Regulation of the Government of the Slovak Republic No. 240/2003 Coll.LL., Regulation of the Government of the Slovak Republic No. 447/2003 Coll.LL., and Regulation of the Government of the Slovak Republic No. 137/2004 Coll.LL. shall be repealed“.

Art. II

This Act shall become effective on 1 May, 2005.

Ivan Gašparovič s.m.
Pavol Hrušovský s.m.
Mikuláš Dzurinda s.m.

ANNEX V: EXTRACTS FROM ACT 300/2005 COLL. OF 20 MAY 2005 CRIMINAL CODE

Section 2
Applicability in Time

(1) The criminal liability for an act shall be determined and the punishment shall be imposed according to the law applicable at the time of its commission. When several new laws have taken effect between the time of commission of the act and the delivery of judgement, the criminal liability for an act shall be determined and the punishment shall be imposed according to the law, which is more favourable for the offender.

(2) Where it is more favourable for the offender, he may receive a penalty provided for in the law which is in force at the time of the proceedings on the criminal offence.

(3) Unless this Act provides otherwise, a protective measure shall be imposed pursuant to the law effective at the time of taking the decision on the protective measure concerned.

Any person who commences the perpetration of a premeditated crime, but does not finish it, shall be punishable for attempt.

Section 3
Territorial Applicability

(1) This Act shall be applied to determine the criminal liability for an act committed on the territory of the Slovak Republic.

(2) The criminal offence is considered as having been committed on the territory of the Slovak Republic even if the offender

a) committed the act, at least in part, on its territory, if the actual breach of or threat to an interest protected under this Act took place or was intended to take place, in whole or in part, outside of its territory, or
b) committed the act outside of the territory of the Slovak Republic, if the actual breach of or threat to an interest protected under this Act was intended to take place on its territory, or such a consequence should have taken place, at least in part, on its territory.

(3) This Act shall also be applied to determine the criminal liability for an act committed outside of the territory of the Slovak Republic aboard a vessel navigating under the State flag of the Slovak Republic, or aboard an aircraft entered in the aircraft register of the Slovak Republic.

Personal Applicability
Section 4

This Act shall also be applied to determine the criminal liability for an act committed outside of the territory of the Slovak Republic by a Slovak national or a foreign national with permanent residency status in the Slovak Republic.

Section 5a

This Act shall be applied to determine the criminal liability for the criminal offence of illicit manufacturing and possession of narcotics or psychotropic substances, poisons or precursors, and trafficking in them (Section 171 and 172) forgery, fraudulent alteration and illicit manufacturing of money and securities (Section 270), uttering counterfeit, fraudulently altered and illicitly manufactured money and securities (Section 271), manufacturing and possession of instruments for counterfeiting and forgery (Section 272), forgery, fraudulent alteration and illicit manufacturing of duty stamps, postage stamps, stickers and postmarks (Section 274), forgery and fraudulent alteration of control technical measures for labelling goods (Section 275), establishing, masterminding and supporting a terrorist group or its member (Section 297), illicit manufacturing and possession of nuclear materials, radioactive substances, hazardous chemicals and hazardous biological agents and toxins (Section 298 and 299), plotting against the Slovak Republic (Section 312), terror (Section 313 and 314), destructive actions (Section 315 and 316), sabotage (Section 317), espionage (Section 318), assaulting a public authority (Section 321), assaulting a public official (Section 323), countefeiting

and altering a public instrument, official seal, official seal-off, official emblem and official mark (Section 352), jeopardising the safety of confidential and restricted Information (Section 353), smuggling of migrants (Section 355), endangering peace (Section 417), genocide (Section 418), terrorism and some forms of participation on terrorism (section 419), brutality (Section 425), using prohibited weapons and unlawful warfare (Section 426), plundering in the war area (Section 427), misuse of internationally recognised and national symbols (Section 428), war atrocities (Section 431), persecution of civilians (Section 432), lawlessness in the wartime (Section 433), even if such act was committed outside of the territory of the Slovak Republic by an alien who has not his/her permanent residence on the territory of the Slovak Republic.

Section 6

(1) This Act shall be applied to determine the criminal liability for an act committed outside of the territory of the Slovak Republic by a foreign national who does not have a permanent residency status in the Slovak Republic also where

a) the act gives rise to criminal liability under the legislation effective on the territory where it was committed,

b) the offender was apprehended or arrested on the territory of the Slovak Republic, and

c) was not extradited to a foreign State for criminal prosecution purposes.

(2) However, the offender referred to in paragraph 1 may not be imposed a more severe punishment than that allowed under the law of the State on the territory of which the criminal offence was committed.

Section 7

Applicability under International Instruments

(1) This Act shall be applied to determine the criminal liability also when it is prescribed by an international treaty ratified and promulgated in a manner defined by law, which is binding for the Slovak Republic.

(2) Provisions of Sections 3 through 6 shall not apply if their use is prohibited by an international treaty ratified and promulgated in a manner defined by law, which is binding for the Slovak Republic.

Section 7a

Jurisdiction to impose protective measures

(1) Protective measure pursuant to this act may be imposed if the punishability of the act is considered in connection with which the protective measure has to be imposed.

(2) Provision of the paragraph 1 shall be applied even if the offender of the act, otherwise punishable, is not criminally liable or of a person that cannot be prosecuted or convicted, is concerned.

Section 8

Criminal Offence

A criminal offence is any unlawful act that meets the elements set out in this Act, unless this Act provides otherwise.

Section 9

Types of Criminal Offences

A criminal offence is either a minor offence or a crime.

Section 11

Crime

(1) A crime is an intentional criminal offence carrying a maximum custodial penalty of more than five years pursuant to the Special Part of this Act.

(2) An intentional minor offence which, because of its seriousness, carries a maximum custodial penalty of more than five years shall also be deemed as a crime.

(3) A crime carrying a custodial penalty of more than eight years under this Act shall be considered as a particularly serious crime.

Section 13
Preparation for Committing a Crime

(1) Preparation for committing a crime means wilful organisation of a criminal act, procurement or adaptation of means or instruments for its commission, associating, grouping, instigating, contracting, abetting or aiding in such crime, or other deliberate actions designed to create conditions for its commission, where a crime has been neither attempted nor completed.
(2) Preparation for committing a crime shall carry the same punishment as the crime, for which it has been intended.
(3) The punishability of the preparation for committing a crime shall become extinguished if the offender willfully
a) stopped performing the action leading to the commission of a crime, and removed the threat to an interest protected under this Act presented by the preparation, or
b) gave information about the preparation for committing a crime at such time when it was still possible to remove the threat to an interest protected under this Act presented by the preparation. Such information shall be submitted to the authorities with competence for criminal proceedings or to the Police Force. Members of the armed forces may give such information to their superior officers. Persons serving their imprisonment sentences or remanded in custody may give such information also to the officers of the Corps of Prison and Court Guard of the Slovak Republic.
(4) The application of paragraph 3 does not, however, prejudice the criminal liability of the offender for a different criminal offence he had already committed through such an action.

Section 14
Attempted Criminal Offence

(1) An attempted criminal offence is an action directly leading to the completion of a criminal offence preformed by an offender with the intent to commit a criminal offence, which has not been completed.
(2) The attempted criminal offence shall carry the same punishment as the completed criminal offence.
(3) The punishability of the attempted criminal offence shall become extinguished if the offender willfully
a) stopped performing the action leading to the completion of a criminal offence, and removed the threat to an interest protected under this Act presented by the attempt, or
b) gave information about the attempted criminal offence at such time when it was still possible to remove the threat to an interest protected under this Act presented by the attempt. Such information shall be submitted to the authorities with competence for criminal proceedings or to the Police Force. Members of the armed forces may give such information to their superior officers. Persons serving their imprisonment sentences or remanded in custody may give such information also to the officers of the Corps of Prison and Court Guard of the Slovak Republic.
(4) The application of paragraph 3 does not, however, prejudice criminal liability of the offender for a different criminal offence he had already committed through such an action.

Section 19
Offender

(1) An offender of a criminal offence is the person who committed a criminal offence acting on his own.
(2) Only a natural person may be considered as the offender of a criminal offence.

Section 20
Accomplice

If a criminal offence was committed by two or more persons acting in conjunction (accomplices), each of them has the same criminal liability as the single person who would commit such a criminal offence.

Section 21
Abettor

(1) An abettor to a completed or attempted criminal offence is any person who intentionally

a) masterminded or directed the commission of a criminal offence (organiser)

b) instigated another person to commit a criminal offence (instigator),

c) asked another person to commit a criminal offence (hirer),

d) assisted another person in committing a criminal offence, in particular by procuring the means, removing the obstacles, providing an advice, strengthening the determination, making a promise of post crime assistance (aider).

(2) Unless this Act provides otherwise, the criminal liability of an abettor shall be governed by the same provisions as the criminal liability of an offender.

Forfeiture of Property
Section 58

(1) Taking account of the circumstances, under which the criminal offence was committed and the personal situation of the offender, the court may order the forfeiture of property of the offender whom it sentences to life imprisonment or to unconditional imprisonment for a particularly serious crime, through which the offender gained or tried to gain large-scale property benefits or caused large-scale damage.

(2) The court shall order the forfeiture of property even in the absence of the conditions referred to in paragraph 1 when sentencing perpetrators of criminal offences of illicit manufacturing and possession of narcotics or psychotropic substances, poisons or precursors, and trafficking in them pursuant to Section 172 paragraphs 2, 3 or 4, or Section 173, criminal offence of trafficking in human beings pursuant to Section 179, criminal offence of trafficking in children pursuant to Section 180 paragraphs 2 or 3 or Section 181, criminal offence of extortion pursuant to Section 189 paragraph 2 (c), criminal offence of gross coercion pursuant to Section 190 paragraphs 1, 3, 4 or 5, or Section 191 paragraphs 3 or 4, criminal offence of coercion pursuant to Section 192 paragraphs 3 or 4, criminal offence of sharing pursuant to Section 231 paragraphs 2, 3 or 4, or Section 232 paragraphs 3 or 4, criminal offence of legalisation of proceeds of crime pursuant to Section 233 or 234, criminal offence of forgery, fraudulent alteration and illicit manufacturing of money and securities pursuant to Section 270, criminal offence of uttering counterfeit, fraudulently altered and illicitly manufactured money and securities pursuant to Section 271 paragraph 1, criminal offence of manufacturing and possession of instruments for counterfeiting and forgery pursuant to Section 272 paragraph 2, criminal offence of failure to pay tax and insurance pursuant to Section 277, criminal offence of failure to pay tax pursuant to Section 278 paragraphs 2 or 3, criminal offence of breach of regulations governing state technical measures for labelling goods pursuant to Section 279 paragraphs 2 or 3, criminal offence of establishing, masterminding and supporting a criminal group pursuant to Section 296, establishing, masterminding and supporting a terrorist group pursuant to Section 297, criminal offence of terror pursuant to Section 313 or Section 314, criminal offence of accepting a bribe pursuant to Section 328 paragraph 2 or 3, or Section 329 paragraphs 2 or 3, criminal offence of bribery pursuant to Section 334 paragraph 2 or Section 335 paragraph 2, criminal offence of countefeiting and altering a public instrument, official seal, official seal-off, official emblem and official mark pursuant to Section 352 paragraph 6, criminal offence of smuggling of migrants pursuant to Section 355 or Section 356, criminal offence of procuring and soliciting prostitution pursuant to Section 367 paragraph 3, criminal offence of manufacturing of child pornography pursuant to Section 368, criminal offence of dissemination of child pornography pursuant to Section 369, criminal offence of corrupting morals pursuant to Section 372 paragraphs 2 or 3, or criminal offence of terrorism and some forms of participation on terrorism pursuant to Section 419, if the offender has acquired his property or part thereof from the proceeds of crime at least in the substantial extent.

Section 59

(1) The penalty of the forfeiture of property shall recover in the extent that belongs to the sentenced person in the execution of the penalty of the forfeiture of property after the end of bankruptcy proceedings,

a) proceeds of encachment of property,

b) the property that is excluded from the particulars of sale,

c) the property subject to the bankruptcy proceedings if the encachment of property was not reached.

(2) The forfeited property shall, unless the court decides otherwise on the basis of a promulgated international treaty binding for the Slovak Republic, become a property of the State.

(3) The final decision on the forfeiture of property shall result in the dissolution of community property of spouses.

Section 60

Forfeiture of a Thing

(1) The court shall order the forfeiture of a thing, which was

a) used to commit a criminal offence,

b) intended to be used to commit a criminal offence,

c) obtained by means of a criminal offence, or as remuneration for committing a criminal offence, or

d) obtained by the offender in exchange for a thing referred to in c).

(2) If the thing referred to in paragraph 1 is inaccessible or unidentifiable, or is merged with the property of the offender, or with the property of another person obtained by lawful means, the court may impose the forfeiture of a thing whose value corresponds to the value of the thing referred to in paragraph 1.

(3) An inaccessible thing shall mean a thing that has been destroyed, damaged, lost, stolen, rendered unusable, consumed, hidden, transferred to another person for the purpose of excluding it from the competence of criminal procedure authorities, or a thing removed in a different manner, or the costs saved.

(4) A thing within the meaning of paragraph 1 shall also mean the proceeds of crime, as well as profits, interests, or other benefits arising from such proceeds or things.

(5) The court may impose the sentence of forfeiture of a thing only if the thing belongs to the offender.

(6) The forfeited thing shall, unless the court decides otherwise on the basis of a promulgated international treaty binding for the Slovak Republic, become a property of the State.

(7) The provisions of paragraph 1 shall not apply if

a) the victim is entitled to a compensation for damage caused by the offence, which the forfeiture of a thing would make impossible,

b) the value of the thing is prima facie disproportionate to the gravity of the minor offence, or

c) the court waives the punishment of the offender.

Section 83

Confiscation of a Thing

(1) In case that the sanction of the forfeiture of a thing referred to in Section 60 par. 1 was not imposed, the court shall order the confiscation of such a thing if

a) it belongs to the person who cannot be prosecuted or sentenced,

b) it belongs to the offender whose punishment the court waived, or the offender whose prosecution was stayed, or the offender whose prosecution was conditionally stayed, or the offender whose prosecution was stayed due to the conclusion of a conciliation agreement,

(c) it consists of goods that are not marked with control stamps or goods that were not subjected to other technical control measures required by generally binding legal acts for taxation purposes,

(d) the circumstances of the case justify the presumption that the thing could be used as a source to finance terrorism, or

(e) this is necessary with regard to the security of people or property or other similar general interest.

(2) The confiscated thing shall, unless the court decides otherwise on the basis of a promulgated international treaty binding for the Slovak Republic, become a property of the State.

(3) The provision of paragraph 1 shall not apply if:
a) the injured party is entitled to the compensation for damage caused by the offence, which the confiscation of the thing would render impossible, or
b) the value of the thing is manifestly disproportionate to the gravity of the minor offence.

Section 83 a
Confiscation of a sum of money

(1) Court may impose the confiscation of a specific sum of money on the legal person if the criminal offence, even as a criminal attempt, was committed or in the case of aiding and abetting a criminal offence in connection with:
a) exercising the right to represent that legal person
b) exercising the right to make decisions in the name of that legal person
c) exercising the right to carry out the control within that legal person, or
d) negligence concerning the supervision or due diligence within that legal person

(2) Protective measure pursuant to paragraph 1 shall not be imposed upon legal persons whose financial status as a debtor shall not be consolidated under a particular legal norm regulating bankruptcy proceedings, or if a property of the State or the European Union would be affected by the exercising of the protective measure, upon bodies of a foreign State and upon organizations of public international law. Nor shall it be imposed if the punishability of the criminal offence as described in paragraph 1 becomes extinct upon the expiry of the limitation period or as based on the (defense of) effective regret.

(3) Court may impose the confiscation of a sum of money described in paragraph 1 in amount of 800 Euro up to 1 660 000 Euro. When determining the amount of money to be confiscated the court shall consider seriousness of the committed criminal offence, scope of the offence, gained benefit, damage arisen, circumstances of the commission of the criminal offence and consequences for the legal person. Court shall not impose the confiscation of money if, at the same time, it imposes the protective measure of confiscation of a property on the legal person pursuant to Section 83 b.

(4) In the case of merger, fusion or division of the legal person the court shall impose the protective measure pursuant to paragraph 1 on the legal successor of the legal person which has been wound-up.

(5) The paid or enforced sum of money escheats to the state unless the court decides otherwise in accordance with international treaty which has been promulgated and is binding for the Slovak Republic.

Section 83b
Confiscation of a property

(1) Court shall impose the confiscation of a property on the legal person if the criminal offence, even as a criminal attempt, was committed or in the case of aiding and abetting a criminal offence as described in Section 58 paragraph 2 and if the legal person gained the property or its part by a crime or from proceeds of a crime, in connection with:
a) exercising the right to represent that legal person
b) exercising the right to make decisions in the name of that legal person
c) exercising the right to carry out the control within that legal person, or
d) negligence concerning the supervision or due diligence within that legal person

(2) Protective measure pursuant to paragraph 1 shall not be imposed upon legal persons whose financial status as a debtor shall not be consolidated under a particular legal norm regulating bankruptcy proceedings, or if a property of the State or the European Union would be affected by the exercising of the protective measure, upon bodies of a foreign State and upon organizations of public international law. Nor shall it be imposed if the punishability of the criminal offence as described in paragraph 1 becomes extinct upon the expiry of the limitation period or as based on the (defense of) effective regret.

(3) The protective measure pursuant to paragraph 1 shall not be imposed if with regard to the seriousness of the committed criminal offence, scope of the offence, gained benefit, damage arisen, circumstances of the commission of the criminal offence, consequences for the legal person and an

important public interest, the protection of the community can be ensured even without confiscation of the property of the legal person. If the court do not impose the confiscation of a property on the legal person, it shall impose the protective measure of confiscation of a specific sum of money pursuant to the section 83 a.
(4) Confiscation of a property affects the property of the legal person to the extent to which it belongs to the legal person upon completion of bankruptcy proceedings
a) proceeds of the encashment of the property
b) property excluded from the particulars to sale
c) property which is liable to bankruptcy proceedings if the encashment was not reached.
(5) In the case of merger, fusion or division of the legal person the court shall impose the protective measure pursuant to paragraph 1 on the legal successor of the legal person which has been wound-up.
(6) The State shall become the owner of the confiscated property unless the court decides otherwise in accordance with international treaty which has been promulgated and is binding for the Slovak Republic.

Thing
Section 130

(1) For the purposes of this Act, a thing shall mean
a) a movable or immovable thing, dwelling or non-residential premises, or animal, unless the relevant provisions of this Act provide otherwise,
b) a controllable force of nature or energy, or
c) security paper irrespective of its form.
(2) Intangible information, computer data or video recording on a technical medium shall also be considered as things.
(3) For the purposes of this Act, an entrusted thing shall mean a thing owned by another person, which the offender is authorised to use under a contract, or which the offender has in his possession in order to perform certain tasks as instructed by the owner of the thing, with the obligation to use it only for agreed purposes or return it to the owner under agreed conditions.
(4) For the purposes of this Act, misappropriation of a thing shall mean divesting the owner or other person who has legal possession of the thing of the right to dispose with that thing without consent and with the intent to dispose with it as with one's own.
(5) For the purposes of this Act, addictive substances shall mean alcohol, narcotics, psychotropic substances and other substances capable of exerting adverse effects on one's mental state and self-control or recognition abilities, or on one's social conduct.
(6) For the purposes of this Act, means of public transport shall mean the things with the capacity to transport at least nine persons.

Section 129
Group of Persons and Organisation

(1) For the purposes of this Act, a group of persons shall mean a group of at least three persons.
(2) For the purposes of this Act, an organised group shall mean an association of at least three persons grouped together with the objective of committing a criminal offence and using a certain division of tasks among individual members of the group; as a result, the activities of the group have a planned and co-ordinated character which increases the likelihood of a successful commission of the criminal offence.
(3) For the purposes of this Act, an extremist group shall mean an affiliation at lest three persons with the objective of committing the offence of extremism.
(4) For the purposes of this Act, a criminal group shall mean a structured criminal association of at least three persons, existing for a certain period of time, acting in a co-ordinated manner with the objective of committing one or more felonies, the criminal offence of legalisation of proceeds of crime pursuant to Section 233, or any of the corruption criminal offences referred to under the Chapter Eight, Title Three of the Special Part of this Act, for the purposes of obtaining, directly or indirectly, a financial benefit or other advantage.

(5) For the purposes of this Act, a terrorist group shall mean a structured group of at last three persons existing for a certain period of time with the objective of committing the offences of terror or terrorism.
(6) The activity performed for a criminal group or a terrorist group shall mean an intentional participation in such a group, or other intentional actions serving the purpose of
a) maintaining the existence of such a group, or
b) committing, by such a group, the criminal offences referred to under paragraph 3 or 4.
(7) Supporting a criminal group or a terrorist group shall mean an intentional action consisting in providing financial or other means, services, and cooperation, or in creating other circumstances serving the purpose of
a) establishing or maintaining the existence of such a group, or
b) committing, by such a group, the criminal offences referred to under paragraph 3 or 4.

Section 140
Specific Motivation

Specific motivation shall mean that a criminal offence was committed
a) per order,
b) because of revenge,
c) with the intention to cover up or facilitate another criminal offence,
d) with the intention to incite in public to a violence or hatred towards a group of persons or an individual due to their belonging to a race, nation, nationality, colour of complexion, ethnic group, origin or for their religion, if it is an occasion for threat due to the mentioned reasons,
e) with the intention to commit the criminal offence of terrorism and some forms of participation on terrorism pursuant to section 419,
f) because of national, ethnic or racial hatred, or hatred caused by the colour of complexion, or
g) as a sexually motivated criminal offence.

Section 141
Dangerous Grouping

A dangerous grouping shall mean
a) a criminal group, or
b) a terrorist group.

Sharing
Section 231

(1) Any person who conceals, transfers to himself or another, leases or accepts as a deposit
a) a thing obtained through a criminal offence committed by another person, or
b) anything procured in exchange for such a thing,
shall be liable to a term of imprisonment of up to three years.
(2) The offender shall be liable to a term of imprisonment of three to eight years if he commits the offence referred to in paragraph 1,
a) and obtains larger benefit for himself or another through its commission,
b) by reason of specific motivation, or
c) uses such thing for his own business purposes.
(3) The offender shall be liable to a term of imprisonment of seven to twelve years if he commits the offence referred to in paragraph 1,
a) and obtains substantial benefit for himself or another through its commission, or
b) acting in a more serious manner.
(4) The offender shall be liable to a term of imprisonment of twelve to twenty years if he commits the offence referred to in paragraph 1,
a) and obtains large-scale benefit for himself or another through its commission, or
b) as a member of a dangerous grouping.

Section 232

(1) Any person who, by negligence, conceals or transfers to himself or another a thing of considerable value obtained through a criminal offence committed by another person, shall be liable to a term of imprisonment of up to one year.
(2) The offender shall be liable to a term of imprisonment of between six months and three years if he commits the offence referred to in paragraph 1, and enables another to disguise the origin or disclosure of a thing obtained through a criminal offence committed in the territory of the Slovak Republic or abroad.
(3) The offender shall be liable to a term of imprisonment of one to five years if he commits the offence referred to in paragraph 1,
a) and obtains substantial benefit for himself or another,
b) acting in a more serious manner, or
c) with respect to things originated from the trafficking in narcotics, psychotropic, nuclear or high risk chemical substances, or from another particularly serious crime.

The offender shall be liable to a term of imprisonment of three to eight years if he commits the offence referred to in paragraph 1, and obtains large-scale benefit for himself of another through its commission.

Legalisation of the Proceeds of Crime
Section 233

(1) Any person who performs any of the following with regard to income or other property obtained by crime with the intention to conceal such income or thing, disguise their criminal origin, conceal their intended or actual use for committing a criminal offence, frustrate their seizure for the purposes of criminal proceedings or forfeiture or confiscation:
a) transfers to himself or another, lends, borrows, transfers in a bank or a subsidiary of a foreign bank, imports, transits, delivers, transfers, leases or otherwise procures for himself or another, or
b) holds, hides, conceals, uses, consumes, destroys, alters or damages,
shall be liable to a term of imprisonment of two to five years.
(2) The offender shall be liable to a term of imprisonment of three to eight years if he commits the offence referred to in paragraph 1
a) by reason of specific motivation, or
b) and obtains larger benefit for himself or another through its commission.
(3) The offender shall be liable to a term of imprisonment of seven to twelve years if he commits the offence referred to in paragraph 1
a) as a public figure,
b) and obtains substantial benefit for himself through its commission, or
c) acting in a more serious manner.
(4) The offender shall be liable to a term of imprisonment of twelve to twenty years if he commits the offence referred to in paragraph 1,
a) and obtains large-scale benefit for himself or another through its commission,
b) with respect to things originated from the trafficking in narcotics, psychotropic, nuclear or high risk chemical substances, weapons and human beings or from another particularly serious crime, or
c) as a member of a dangerous grouping.

Section 234

(1) Any person who fails to inform or report
a) the facts indicating that other person has committed the criminal offence of laundering the proceeds of crime pursuant to Section 233, or
b) an unusual business transaction,
although he has such obligation by virtue of his employment, profession, position or function, shall be liable to a term of imprisonment of two to eight years.
(2) The act referred in paragraph 1 shall not give rise to criminal liability if the offender cannot make the information or report without the risk of criminal prosecution against himself or a close person.

Section 236
Concealment of a Thing

(1) Any person who appropriates a thing of a small value belonging to another person, which he got possession of through finding it, by mistake, or otherwise, without the permission of the entitled owner, shall be liable to a term of imprisonment of up to one year.
(2) The offender shall be liable to a term of imprisonment of between six months and five years if he commits the offence referred to in paragraph 1, and causes larger damage through its commission.

Section 297
Establishing, Masterminding and Supporting a Terrorist Group

Any person who establishes or masterminds a terrorist group, is its member, actively participates in it or supports it shall be liable to a term of imprisonment of eight to fifteen years.

Section 419
Terrorism and some forms of participation on terrorism

(1) Who

a) with an intent to seriously intimidate inhabitants, seriously destabilize or defeat constitutional, political, economical or social establishment of the state or a structure of an international organisation, or to coerce a government of the state or an international organisation to act or to omit to act, threats by commitment or commit an offence endangering the life, health of people, their personal freedom or a property, or illegally produces, gets, owns, possesses, transports, delivers or in another way uses explosives, nuclear, biological or chemical weapons, or performs not permitted research and development of such weapons or weapons prohibited by law or by an international treaty,
b) with the intent to cause death or serious bodily harm or considerable damage on property or environment possesses radioactive material, or has or creates nuclear explosive machine or a machine diffusing radioactive material or emanating radiance, which may due to its radiological features cause death, serious bodily harm or serious damage on property or environment, or
c) with the intent to cause death or serious bodily harm or considerable damage on property or environment, or to coerce natural person or legal person, international organisation or state to act or omit to act, uses radioactive material or nuclear explosive system or a system diffusing radioactive material or emanating radiance which may cause death due to its radiological features, or serious bodily harm or considerable damage on property or on environment, or uses or damages a nuclear reactor including reactors installed on floats, vehicles, planes or cosmic objects, used as an energy source for driving such floats, vehicles, planes or cosmic objects, or for other purposes, or premises or traffic system used for production, storage, processing or transport of radioactive material in a manner which releases or may release radioactive material, or threats by such act in circumstances indicating credibility of the threat, or
d) asks for radioactive material, nuclear explosive system or system diffusing radioactive material or emanating radiance which may due to its radiological features cause death, serious bodily harm or considerable damage on property or environment, or a nuclear reactor including reactors installed on floats, vehicles, planes or cosmic objects used as an energy source for driving such floats, vehicles, planes or cosmic objects or for other purposes, or premises or traffic system used for production, storage, processing or transport of radioactive material, with threats in circumstances indicating credibility of the threats or use of power,

shall be imposed an imprisonment sentence for 20 to 25 years or life imprisonment.

(2) The same sanction as in the paragraph 1 shall be imposed to the person who

a) collects or provides financial or other means, personally or through another person, even partially, for the purposes of their use or allowing their use for commitment of the act listed in paragraph 1,
b) provides knowledge of methods or techniques for production and using of explosives, nuclear, biological or chemical weapons or other similarly maleficent or dangerous stuffs for the purposes of commitment of the act listed in paragraph 1 or attempts for such act or participates on such act,

c) publicly incites to commit the act listed in paragraph 1 in a manner defending or exonerate commitment of such act in case of its commitment, and herewith causes a danger of its commitment or participates in it,
d) asks another person to commit or participate in committing the act listed in paragraph 1 or attempts to ask or participate in the attempt, or
e) plans to commit the act listed in the paragraph 1 with the intent to commit or enable its commitment.

(3) The life imprisonment shall be imposed on the offender if s/he commits the act listed in the paragraph 1
a) and gives rise a serious bodily harm to more persons or death of more persons,
b) on a protected person,
c) towards armed forces or armed corps,
d) as a member of a dangerous grouping, or
e) during a crisis situation.

(4) The life imprisonment shall be imposed to the offender if s/he commits the act listed in the paragraph 2 letter a) and herewith facilitates using the financial or other sources collected or provided by him, for committing the attempt of the offence listed in the paragraph 1, or s/he personally uses them in such manner, or commits the act listed in the paragraph 2 letter d) and herewith allows commitment or attempt of the act listed in the paragraph 1.

ANNEX VI: EXTRACTS FROM THE CRIMINAL PROCEDURE CODE NO. 301/2005 COLL.

Seizure of financial assets
Section 95

(1) If facts indicate that financial assets on an account in a bank or branch of a foreign bank or other financial assets are dedicated to committing a criminal offence, they were used to commit a criminal offence or they are proceeds of a crime, president of a panel of judges and a prosecutor in the preliminary stage may order to seize the financial assets. The order to seize under the first sentence may concern also financial assets additionally accrued at the account, including ancillary rights, if the reason of the seizure refers also to them.

(2) If the case disallows a delay, prosecutor may order according to the paragraph 1 even before the beginning of criminal proceedings. Such order shall be confirmed by a judge for the preliminary proceedings in 48 hours at the latest otherwise it becomes invalid.

(3) The order shall be issued in written and shall be reasoned. In the order the sum in the relevant currency which the order refers to, shall be included as far as it can be enumerated in the time of the decision. In the order any disposition with the seizured financial assets up to the indicated sum shall be prohibited unless the president of the panel of judges and the prosecutor in the preliminary proceedings decide otherwise.

(4) Seizure shall not include the financial assets which are necessary to satisfy requisite needs of life of the accused person or a person, of which the upbringing or subsistence the accused or the person of which the financial assets were seized, is obliged to take care.

(5) If the seizure of the financial assets is not necessary any more for the purposes of the criminal proceedings, it shall be set aside. If it is not necessary in the stipulated amount, the seizure shall be reduced. The president of the panel of judges and the prosecutor in the preliminary proceedings shall decide by an order about the setting aside or reduction of the seizure.

(6) The order according to the paragraph 1 or 2 shall be always delivered to the bank, branch of a foreign bank or another legal person or natural person who disposes of the financial assets, and after the realisation of the order even to the person whose financial assets were seized.

(7) The seized financial assets may be disposed of only upon previous accord of the president of the panel of judges and prosecutor in preliminary proceedings. While the seizure is running, all legal acts and claims for the seized financial assets are ineffective.

(8) The person, whose financial assets were seized, is allowed to ask for setting aside or reduction of the seizure. The president of the panel of judges and prosecutor in the preliminary proceedings shall decide on such application without delay. Against such decision a complaint may be lodged. If the complaint was dismissed, the person whose financial assets were seized is allowed to lodge it again without giving new reasons after the lapse of 30 days since the decision on the previous complaint entered into force; otherwise it shall not be dealt with.

(9) If it is necessary to seize the financial assets in the criminal proceedings to assure the claim for damages of the victim, paragraphs 1 to 8 shall be applied mutatis mutandis.

Section 112
Sham Transfer

(1) Sham transfer shall mean pretended sale, purchase or any other method of transfer of object/subject of performance for the possession of which special permission is required, or the possession of which is prohibited, or which originates from crime or is designated to commit crime. Sham transfer may be executed within criminal proceedings involving intentional criminal offence punishable by law with deprivation of liberty to maximum term exceeding three years, or corruption

or intentional criminal offence which has to be proceeded on upon commitment by international treaty, if there are reasonable grounds to believe that facts significant for criminal proceedings shall be revealed thereby.

(2) Order to execute sham transfer shall be rendered in writing by Presiding Judge; prior to commencement of criminal prosecution as well as within preliminary proceedings, that order shall be issued in writing by Prosecutor.

(3) Sham transfer shall be executed by the pointy mentioned in the Section 110, par. 2.

(4) Order to execute sham transfer may be issued only upon written application by the Police Agent or by the pointy mentioned in the par. 3. Application must be justified by suspicion of commission of specific criminal activity as well as by data on persons and things to be involved in sham transfer, if such information is available.

(5) Sham transfer may be executed without order mentioned in the par. 2 only in case of urgency and if it is impossible to obtain the order in writing beforehand. Pointy mentioned in the par. 3 has the obligation to request for the order without delay. If the order is not issued within 24 hours, the pointy mentioned in the par. 3 has the obligation to terminate sham transfer. If any information was obtained as result of this act, this information may not be used and must be destroyed immediately in prescribed way.

(6) If record produced in the course of sham transfer is to be applied as evidence, the procedure is followed accordingly pursuant to the Section 115, par. 6.

(7) While proceeding pursuant to the par. 1, the course of the act may be recorded by means of appropriate equipment in case of need.

Section 114
Video and audio recording

(1) Within criminal proceedings involving intentional criminal act punished by law by deprivation of liberty with maximum term exceeding three years, corruption or any other intentional criminal act which has to be proceeded on upon commitment by international treaty, video, audio or video and audio record may be produced if there are reasonable grounds to believe that facts significant for criminal proceedings shall be revealed thereby.

(2) Order to produce video, audio or video and audio record shall be issued in writing by Presiding Judge or Judge for pre-trial proceedings in the stage prior to commencement of criminal prosecution or within preliminary proceedings upon motion by prosecutor. Motion shall be justified by suspicion of particular criminal activity and by details concerning persons and things to be subject of video, audio or video and audio recording, if such data are available. If a case is urgent and video, audio or video and audio recording is not combined with entry into dwelling and if written judge’s order is impossible to be obtained beforehand, prosecutor may issue such order prior to commencement of criminal prosecution and within preliminary proceedings; judge for preliminary proceedings has to confirm the order within 24 hours since it had been issued otherwise the order ceases to be valid and any information obtained shall not be used for purposes of criminal proceedings, but must be destroyed immediately in prescribed manner. Video, audio or video and audio recording combined with entry into dwelling is admissible only within criminal proceedings involving crime, corruption, abuse of authority of public official, legalization of proceeds from criminal activity or any other criminal act which has to be proceeded on upon commitment by international treaty and only with prior consent by Presiding Judge or by Judge for

Preliminary Proceedings prior to commencement of criminal prosecution or within preliminary proceedings.

(3) The order issued pursuant to the par. 2 must include time period during which video, audio or video and audio record shall be produced; maximum period is 6 months. Time period may be extended in writing for two more months, also repeatedly, by a person who issued order to produce video, audio or video and audio record.

(4) Competent department of the Police Forces shall produce video, audio or video and audio record. If it is established in the course of recording that the accused individual is communicating with his defense counsel, the information obtained shall not be used for the purposes of criminal proceedings and must be immediately destroyed; this does not apply in case that information is related to a matter where defense counsel does not represent the accused person as his solicitor/barrister.

(5) Police Agent or competent department of the Police Forces have the obligation to permanently examine whether grounds still do exist on the basis of which the order to produce video, audio or video and audio record had been issued. If these grounds cease to exist, the audio, video or video and audio recording must be terminated even prior to expiration of the time period mentioned in the par. 4. Termination of recording shall be immediately communicated to a person who issued the order to produce such record and within preliminary proceedings also to prosecutor.

(6) If video, audio or video and audio record is to be used as evidence the procedure is followed accordingly pursuant to the Section 115, par. 6.

(7) Video, audio or video and audio record may be used as evidence also in another criminal matter provided that criminal proceedings are conducted in that matter as well and involve intentional criminal act punishable by law by deprivation of liberty exceeding three years, corruption, abuse of authority of public official, legalization of proceeds from crime or any other intentional criminal act which has to be proceeded on upon commitment by international treaty.

(8) If video, audio or video and audio recording did not reveal facts significant for criminal proceedings, the law enforcement authority or competent department of the Police Forces have the obligation to immediately destroy the record in prescribed manner. Protocol including information about destruction of record shall be included in respective file. A person mentioned in the par. 1 who is not entitled to inspect file pursuant to this Act shall be informed about destruction of record by the authority which rendered valid and final decision terminating the case; within proceedings before the court, by the Presiding Judge of the first instance court within three years since valid and final termination of the criminal prosecution involving the respective matter; this does not apply if proceedings involve extremely serious crime or crime committed by organized group, criminal group or terrorist group or if several persons were involved in commission of the criminal offence and there is at least one from among them in relation to whom criminal prosecution was still not terminated by final and valid decision or if provision of such information might obstruct the purpose of criminal proceedings.

CHAPTER FIVE
International Legal assistance

Division One
Scope of legal assistance

Section 531
Definition of the matter

Procedural acts carried out after the commencement of the criminal proceedings in the Slovak Republic in the territory of another State on the basis of a request by the Slovak authorities or such acts carried out in the territory of the Slovak Republic on the basis of a request by foreign authorities, in particular service of documents, hearing of persons and taking of other evidence, shall be understood as legal assistance.

Division Two
Requests by Slovak authorities

Section 532
Form of transmission of requests

(1) Requests for legal assistance emanating from the Slovak pre-trial authorities shall be transmitted abroad through the General Prosecutor's Office. Requests for legal assistance emanating from the Slovak courts shall be transmitted abroad through the Ministry of Justice. Diplomatic channels shall not be excluded.

(2) If an international treaty provides so, the Slovak authorities may transmit their requests abroad through other channels than the ones provided for in paragraph 1. The policeman may transmit the requests abroad solely through the good offices of a prosecutor.

Section 533
Contents and form of request

(1) A request for legal assistance shall, in addition to a precise description of the required act of assistance, contain a description of the facts of the offence which is the basis of the request, the legal denomination of the offence together with a verbatim wording of the pertinent legal provisions, the personal data of the accused or, as the case may be, of the victim or the witnesses if their examination is requested, as well as further details required for the proper execution of the requested legal assistance.

(2) The request shall contain the exact specification of the requesting authority, its file number, the date of the request and it shall bear the signature of the responsible officer and the round seal of the requesting authority.

(3) The request and the supporting documents shall be accompanied by a translation into a foreign language done by an official translator if in relation to the requested State such translation is required.

Section 534
Postal service

Service of documents on a person abroad by post shall be admissible only if so permitted by an international treaty.

Section 535
Validity of procedural acts

Service effected by a foreign authority upon a request by the Slovak authority as well as evidence taken by such authorities shall be valid if they were carried out in accordance with the law of the requested State or if they comply with the law of the Slovak Republic.

Section 536
Summoning persons from abroad

(1) If the personal appearance of a person who stays abroad is required at a procedural act, he must be served the summons by a request for legal assistance. His appearance must not be compelled by the threat of the use of coercive measures.

(2) The person who appears in the territory of the Slovak Republic on the basis of a summons must not be subjected to criminal prosecution, convicted or restricted in his personal liberty in respect of a criminal offence committed prior to his entering the territory of the Slovak Republic.

(3) Criminal prosecution, conviction or restriction of personal liberty of the summoned person shall, however, be admissible:

a) in respect of the criminal offence for which the person was summoned as accused,
b) if, after giving evidence, the summoned person remains in the territory of the Slovak Republic for a period of more than 15 days, having had an opportunity to leave,
c) if the summoned person leaves the territory of the Slovak Republic and returns voluntarily or is lawfully returned to the Slovak Republic from another State.

Division Three
Requests by foreign authorities

Section 537
Manner and form of execution of request

(1) Slovak authorities shall carry out the legal assistance requested by foreign authorities in the manner provided for in this Code or in an international treaty. If the legal assistance shall be provided on the basis of an international treaty by a procedure not provided for in this Code, the responsible prosecutor shall decide how such assistance shall be carried out.

(2) At a request by the foreign authority the assistance may be provided on the basis of the legal provisions of another State, unless the requested procedure is contrary to the interests protected by Article 481.

(3) In order to execute the letter rogatory under section 539 para. 1 it is required that the act which the letter rogatory concerns is a criminal offence not only under the legal system of the requesting State but also under the legal system of the Slovak Republic.

Section 538
Responsibility for execution of requests

(1) Requests of a foreign authority for legal assistance shall be sent to the Ministry of Justice.

(2) The district prosecutor’s office in whose district the requested assistance shall be carried out shall have the responsibility for the execution of the request for legal assistance made by a foreign authority. If more prosecutors` offices have territorial jurisdiction, the ministry of justice shall send the request to the General Prosecution for the decision on which prosecution office shall provide for its execution.

(3) If the foreign authority requests that the examination of a person or another act of legal assistance shall be executed by the court by the reason of applicability of the act in the criminal proceedings in requesting State, the prosecutor shall submit the request in that part for execution to the

District Court in whose district the requested assistance shall be carried out. If the exclusive subject of the request is the act, which has to be executed by a court, the request shall be sent to the court directly by the Ministry of Justice.

Section 539
Authorisation of assistance by court

(1) If under this Code the taking of evidence requested by the foreign authority requires an authorisation by the court, such authorisation shall be given by a judge upon a motion by the prosecutor responsible for the execution of the request.

(2) If the assistance shall be provided on the basis of foreign legal provisions, the judge shall decide upon a motion by the prosecutor whether the foreign procedure does not conflict with the interests protected by the provisions of Article 481. If he does not find such a conflict he shall authorise the provision of the assistance and shall at the same time decide how the evidence shall be taken. An appeal by the prosecutor, with a postponing effect, shall be admissible against the court's decision. The decision of the court on contradiction of procedure under foreign provision is not required if it concerns delivery of a document or instruction of a person under foreign provision.

(3) The District Court in whose district the assistance shall be carried out shall have jurisdiction to decide under the paragraphs 1 and 2.

Section 540
Acts by foreign authorities

(1) Foreign authorities may not execute any acts of legal assistance in the territory Slovak Republic by themselves.

(2) A foreign consular office having jurisdiction for the territory of the Slovak Republic may carry out, if so mandated by the authorities of the State it represents and on their behalf, procedural acts for criminal proceedings only with the prior consent given by the Ministry of Justice. Service of documents on the national of the represented State or the examination of a person who appears voluntarily shall not require any prior consent by the Ministry of Justice.

(3) The presence of representatives of the foreign authorities as well as other persons at the execution of legal assistance by the Slovak authority shall only be possible with the prior consent by the responsible prosecutor; if the request shall be executed by the court, the consent shall be given by this court.

Section 541

Service of documents

(1) If the document to be served on an addressee in the Slovak Republic is written in the Slovak language or in a language which, taking into account all circumstances of the case, is deemed to be understood by the addressee, or if a translation into such language is attached to the document and no personal service is requested, the document shall be served on the addressee in accordance with the provisions of this Code governing the service in proper hands. Service by deposit shall be admissible only after a repeated attempt to serve.

(2) If the document is not in the language specified in paragraph 1 and no translation into such language is attached to the document, and the requesting authority was not required under an international treaty to provide such translation, the authority executing the assistance shall arrange for the Slovak translation and subsequently serve the document as provided for in paragraph 1. Otherwise it shall serve the document on the addressee only should he accept it voluntarily after being advised of the possibility to refuse the service.

(3) If the requesting authority requests personal service of the documents, the documents shall be served on the addressee in person. In such an event, the service under paragraph 1 shall not be admissible and should even the repeated attempt to serve the document in person fail, the authority effecting the service shall return the request non-executed and in the cover letter it shall specify the reasons for the failure of service. The addressee shall confirm the effected service by signing the receipt provided by the requesting authority or in the protocol of the authority effecting the service. If the addressee refuses to accept the documents for reasons specified in paragraph 2, the authority effecting the service shall record this fact in the receipt provided by the requesting authority or in the cover letter by which it returns the request to the requesting authority.

Section 542
Examination under oath

(1) If requested by the foreign authority, witnesses, experts and parties may also be examined under oath; prior to the oath they must be advised of importance of the statement and of the consequences of perjury.

(2) The wording of the oath for the witnesses and parties shall be the following: “I swear on my honour that I shall say the truth and nothing but the truth and withhold nothing intentionally.”

(3) The wording of the oath for the expert witness shall be the following: “I swear on my honour that I shall give my expert opinion according to my best knowledge and conscience. I declare that I am aware of criminal consequences of false expert opinion.“

Division Four
Some special forms of legal assistance

Section 543
Transit

(1) The Minister of Justice shall have the authority to grant the transit of a person through the territory of the Slovak Republic for the purposes of criminal prosecution or execution of a prison sentence upon a request by a foreign authority. During the transfer the personal liberty of the transferred person will be restricted in order to prevent his escape; in order to restrict the personal liberty of the transferred person the coercive measures under special law shall be used.

(2) The decision granting the transfer for purposes which imply the return transfer through the territory of the Slovak Republic shall be deemed as a decision granting such return transfer as well.

Section 544
Cross-border observation and pursuit

(1) In accordance with the terms of an international treaty the police authority may, in observing a person, enter the territory of another State and continue the observation of the person even on the territory of that State.

(2) The authorisation to proceed under paragraph 1 shall be issued by the presiding judge or in the pre-trial by the prosecutor.

(3) In the case of urgency, the procedure under paragraph 1 shall be possible also without an authorisation solely on the basis of consent by the Chief of Police or by the person entitled by the the Chief of Police. The authority having jurisdiction to authorise under paragraph 2 shall be informed without delay.

(4) Foreign authorities may carry out the observation in the territory of the Slovak Republic in accordance with the terms of an international treaty. If the international treaty does not specify which Slovak authority has jurisdiction to grant the permission to carry out the cross-border observation in the territory of the Slovak Republic, the permission shall be given by the prosecutor or in urgent cases by the Chief of Police or the person entitled by him/her. The Chief of Police or the

person entitled by him/her shall inform about the given permission the competent prosecutor who shall decide on continue the observation.

Temporary surrender of detained person abroad
Section 545

(1) At the request of a foreign authority a person in custody or serving a prison sentence in the Slovak Republic may be temporarily surrendered abroad for the purposes of giving evidence.

(2) The person specified in paragraph 1 may be temporarily surrendered only if:

a) he is not the accused in the proceedings abroad and he consents with the temporary surrender,

b) his absence does not alter the purpose of the custody or the enforcement of the sentence carried out in the Slovak Republic

c) the temporary surrender does not inadequately extend the length of custody in the Slovak Republic, or the temporary surrender does not extend the length of the prison sentence served in the Slovak Republic.

Section 546

(1) The Minister of Justice shall have the authority to grant the temporary surrender abroad. In his decision he shall set out an appropriate deadline for the return of the person to the territory of the Slovak Republic.

(2) After the temporary surrender was granted, the decision to transfer the person abroad shall be made by the district court in whose district the person is in custody or serving the prison sentence.

Section 547

(1) The time the person spent in custody abroad shall not be counted against the deadlines under Article 76. The decision to this effect shall be taken by the court, and in the pre-trial by the judge upon the motion of the prosecutor.

(2) The time specified in paragraph 1 shall be counted against the length of the sentence served in the Slovak Republic.

(3) An appeal against the decisions under the paragraphs 1 and 2 shall be admissible.

Section 548

Articles 545 to 547 shall be applied *mutatis mutandis* to the transfer of a person abroad to participate in an act of legal assistance carried out in the territory of another State upon a request by the Slovak authorities.

Section 549
Temporary surrender of detained person from abroad for execution of procedural acts

(1) If in the criminal proceedings in the Slovak Republic the personal appearance of a person other than the accused is necessary for evidentiary purposes and such person is in custody or serving a prison sentence abroad, the prosecutor or the judge may request the Ministry of Justice to arrange the temporary surrender of the person to the territory of the Slovak Republic. The motion submitted to the Ministry of Justice shall specify the procedural acts for which the presence of the person is necessary as well as the date or the period of time for which the personal appearance shall be arranged.

(2) If the requested State authorised the temporary surrender to the territory of the Slovak Republic, the presiding judge of a panel, or in the pre-trial upon the motion by the prosecutor judge for pre-trial proceedings, shall decide that during the period of the temporary surrender in the Slovak Republic such person shall be held in custody. In this resolution shall be specified that the custody shall commence on the day of the surrender of the person to the territory of the Slovak Republic.

(3) The provisions of the paragraphs 1 and 2 shall be applied *mutatis mutandis* to the surrender of a person from abroad to participate in an act of legal assistance carried out in the territory of the Slovak Republic upon a request by the foreign authorities.

Section 550
Surrender of things

(1) Upon a request by a foreign authority the seizure of a thing and its subsequent surrender abroad can be effected.

(2) The requested authority may postpone the surrender of the seized thing if the Slovak authorities need it in their criminal proceedings.

(3) When surrendering the seized thing the requested authority shall request its return from the foreign authority. It may, however, expressly waive this right or may agree that the thing shall be returned directly to its rightful owner.

(4) These provisions shall be applicable *mutatis mutandis* to the surrender of a thing seized with the person whose extradition is sought. Such thing shall be surrendered to the foreign authorities, whenever possible, together with the extradited person.

Section 551
Seizure of property

(1) Under the conditions specified in an international treaty the court may, on the basis of a request by the foreign authority, and upon a motion by the prosecutor, order the provisional seizure of the movables, immovables, financial assets at the bank account, in a branch of a foreign bank, securities or another property located in the territory of the Slovak Republic, that is intented to be used to commit a criminal offence, was used to commit a criminal offence or is a proceed of crime, and its forfeiture or seizure is expected. Provisions of Section 95 paragraphs 3, 4 and 6, and Section 96 paragraphs 3 and 5 shall be applied mutatis mutandis.

(2) The District Court in whose district the property to be seized is located shall have jurisdiction to decide on the motion under paragraph 1.

(3) If the case is urgent, the prosecutor may deliver an order pursuant to the paragraph 1, which has to be approved in 48 hours by the judge competent under paragraph 2, otherwise it shall expire.

(4) The District Court shall revoke the provisional seizure on the basis of a motion of the foreign authority which asked for the provisional seizure, or on the basis of conditions set out in an international treaty. The District Court may also revoke the provisional seizure if the foreign state in proper time does not ask for execution of foreign property decision concerning the seized property.

Section 552
Information from criminal records

Any request by a foreign authority for information from the criminal records shall be submitted to the Prosecutor General’s Office.

ANNEX VII: ORDER OF THE GOVERNMENT OF THE SLOVAK REPUBLIC NO. 397/2005 COLL. OF 17 AUGUST 2005 ON ANNOUNCEMENT OF INTERNATIONAL SANCTIONS SECURING INTERNATIONAL PEACE AND SECURITY

The Government of the Slovak Republic pursuant to Section 3 subsection 1 letter b) and c) of the Act on Execution of International Sanctions SecuringInternational Peace and Security as amended by the Act No. 127/2005 Coll. hereby orders as follows:

Section 1

Having regard to the purpose of securing international peace and security, pursuant to the Common Position of the Council of the European Union 2005/427/CFSP, the international sanctions in area of financial services, pursuant to Section 5 of the Act No. 460/2002 Coll. on Execution of International Sanctions Securing International Peace and Security shall be announced for the specified persons, groups and entities as amended by the Act No. 127/2005 Coll..

Section 2

This Order shall take effect on the date of 15 September 2005.

on behalf Pál Csáky

ANNEX VIII: EXTRACT FROM THE ORDER OF THE HEAD OF THE BUREAU OF COMBATING ORGANIZED CRIME OF PRESIDIUM OF POLICE FORCE NO. 52/2009 ON ORGANIZATIONAL ORDER OF THE BUREAU OF COMBATING ORGANIZED CRIME OF PRESIDIUM OF POLICE FORCE

Section 23

"Financial Intelligence Unit

(1) Financial Intelligence Unit has its seat in Bratislava.
(2) Financial Intelligence Unit is divided as follows:
a) unusual transactions´ department,
b) obliged entities´ control department,
c) international cooperation department,
d) property check-up department,
e) analytical department.
(3) Financial Intelligence Unit shall especially:
a) map, detect and destruct organized groups in the field of tax criminal activity, money laundering, unlawful financial operations, capital and financial market and terrorist financing,
b) perform operational-search activity aimed at operational detection of particularly serious criminal activity, especially tax criminal activity, money laundering, unlawful financial operations, capital and financial market and terrorist financing and build up network of informers and receive other information sources,
c) in scope of its competence ensure cooperation with units of the Bureau and law enforcement bodies in search of and documenting criminal activity, gather, evaluate and make use of especially financial and economic information important for combating money laundering and take measures,
d) perform tasks resulting from a special regulation 1),
e) methodologically manage and in selected cases coordinate the activity of financial police departments of units Bratislava, West, Central and East of the Bureau, decide about dissemination of information obtained by Financial Intelligence Unit upon the performance of reporting obligation under a special regulation 1) to a unit of the Bureau with local competence for verification,
f) in scope of its competence ensure cooperation with relevant domestic and international authorities, organizations and institutions."

(4) Unusual Transactions´ Department shall:
    a) receive, analyze, evaluate and make use of unusual transaction reports, keep respective documentation thereof and process respective statistical data,
    b) provide information obtained by performance of reporting obligation provided that such information substantiates the commencement of tax proceedings or is essential for the ongoing tax proceedings unless the performance of other service tasks is endangered,
    c) perform, in case of suspicion of money laundering, postponement of unusual transaction.

(5) Analytical Department shall:
a) evaluate and process information necessary for analysis of criminal activity in the competence of the financial police, way and forms of its committing, take respective measures including measures necessary for management and organizational activity on the level of the units and the Bureau, propose amendments to relevant legislation and related internal regulations of the Bureau,
b) gather and process information and other materials for co-ordination and co-operation with LEA within co-operation with Ministry of Finance of the Slovak Republic, the National Bank of Slovakia, banks and foreign bank branches of the Slovak Republic and foreign partner services,

c) ensure registering, control, performance and evaluation of tasks resulting for the FIU from resolutions of the Nation Council of the Slovak Republic and Government of the Slovak Republic, annual plan of the Presidium and other documents,
d) process information for performance of analyses and information from open sources related to competence of the unit, compare them with intelligence information from operational sources and disseminate them for further use,
e) ensure gathering and evaluation of information from activity of departments of the financial police of the following units: Bratislava, West, Central and East.

(6) Obliged Entities´ Control Department shall:

a) perform control activity of obliged entities under a special regulation 1),
b) submit proposal for imposing a fine or impose a fine on an obliged entity for breach or failure to perform obligations, as well as to the authority authorised to impose a fine to an obliged entity under special regulations for breach or failure to perform obligations stipulated by law,
c) file an initiative for revocation of a licence for the conduct of business or other independent profitable activity to an obliged entity for repeated breach or failure or failure to perform obligations,
d) require information on the way of execution of proposals submitted and initiatives filled from authorities to which they submitted proposal to impose a fine or initiative for revocation of a licence.

(7) International Cooperation Department shall:

a) cooperate with foreign partner services, international organizations and institutions in under the competence of the Financial Intelligence Unit and participate in information exchange and replying requests,

b) collaborate in coordination of international cooperation in the field of money laundering, detection of terrorist financing and combating economic criminality,

c) monitor, evaluate and ensure tasks in the field of foreign business trips and foreign visits to the Financial Intelligence Unit.

(5)

Property Check-up Department shall:

a) trace, gathers, evaluate and make use of information especially from economic and f financial field important for identification of proceeds of criminal activity,
b) detect perpetrators of criminal offences of money laundering and alternative forms of legalization of proceeds and benefits of criminal activity,
c) trace and obtain evidence used by law enforcement in further proceedings aimed at confiscation of property,
d) identify bank accounts and safe deposit boxes in banks and foreign bank branches, in Central Land Registry real estate of persons suspicious of money laundering and alternative forms of criminal activity in cases of suspicion of committing criminal activity by organized group, criminal group or terrorist group.

ANNEX IX: EXTRACT FROM THE ACT NO. 73/1998 COLL. ON THE CIVIL SERVICE OFFICERS OF POLICE FORCE, THE SLOVAK INFORMATION SERVICE, PENITENTIARY AND JUDICIAL GUARD FORCE OF THE SLOVAK REPUBLIC AND THE RAILWAY POLICE AS AMENDED.

Section 14

Requirements for Recruitment and Recruitment Procedure

(1) Any citizen of the Slovak Republic of age over 18 years who requests to be recruited in writing, may become a police officer, and he:
a) is respectable,
b) is reliable,
c) meets requirement of general education determined for the performance of function where he is to be appointed,
d) is capable for the performance of service from the point of view of health, physical and psychical state,
e) accomplished basic military service or alternative service if not being subject to military service,
f) knows state language, 3)
g) has permanent residence in the territory of the Slovak Republic. 4)

(2) Such citizen shall not be considered to be respectable for purposes of this act who was sentenced for intentional criminal offence. Citizen proves his respectability by submitting extract of rap sheet, 5) not older than 3 months.

(3) Such citizen shall not be considered to be reliable for purposes of this act who
a) provably consumes alcoholic beverages excessively, 6) or
b) consumes other addictives that may cause addiction, 7) or
c) other facts revealed during recruitment do not guarantee proper performance of civil service.

(4) Police officer must meet requirement of citizenship of the Slovak Republic and requirements stated under paragraph 1 (a) to (d) and (g) upon the whole duration of civil service.
(5) The service bureau is entitled to gather and keep records of information on citizen under a special regulation 8) for purposes of detecting whether citizen meets requirements of recruitment for civil service.

3) Section 3 (1) and (2) of Act of the National Council of the Slovak Republic No. 270/1995 Coll. on State Language
4) Act No. 135/1982 Coll. on Reports and Register of Residence of Citizens
5) Act of the National Council of the Slovak Republic No. 237/1993 Coll. on Rap Sheet
6) Act of the National Council of the Slovak Republic No. 219/1996 Coll. on Protection against Misuse of Alcoholic Beverages and on Establishment and Operation of Addicts Sobering-up Stations
7) Regulation of the Government of the Slovak Socialistic Republic No. 206/1988 Coll. on Poisons and Some Other Substances Detrimental to Health as Amended
8) Act No. 52/1998 Coll. on Protection of Personal Data in Information System

ANNEX X: EXTRACTS FROM THE ACT NO. 171/1993 COLL. ON POLICE FORCE

Section 69a

Processing of Personal Data upon the Performance of Tasks of the Police Force for the Purposes of Criminal Proceedings

1. In prevention and detection of criminal activity, disclosure of perpetrators of criminal offences and investigation of criminal offences (hereinafter referred to as „the performance of tasks of the Police Force for the purposes of criminal proceedings“) upon obtaining and processing personal data, the Police Force shall be obligated to:

a) define purpose for which personal data are to be processed, in written,
b) gather personal data corresponding only to a specified purpose and to the extent necessary for a specified purpose,
c) keep personal data only for the time period necessary for purposes of their processing,
d) process personal data obtained for these purposes separately from personal data processed while performing other tasks of the Police Force,

2. The Police Force shall have power while processing personal data upon the performance of tasks of the Police Force for the purposes of criminal proceedings, to the extent necessary for the performance of tasks of the Police Force in connection with criminal proceedings to

a) merge personal data obtained for different purposes,
b) process false personal data; these personal data must be marked this way.

3. The Police Force shall have power while processing personal data upon the performance of tasks of the Police Force in connection with criminal proceedings to process personal data discovering racial or ethnical origin, political opinions, religious belief or global opinion, membership in political parties or political movements, trade union membership and data concerning health or sex life (hereinafter referred to as “special categories of personal data”) if necessary with regard to the nature of criminal offence. The Police Force shall have power to process special categories of personal data also about persons from a certain community committing a criminal offence, if criminal offences committed by persons of that community occur on a mass scale.

4. The Police Force shall have power to process personal data upon the performance of tasks of the Police Force for the purposes of criminal proceedings also without consent of a person involved with the obligation to regard the protection of his/her privacy. If there is not an assumption of threat of the performance of tasks of the Police Force for the purposes of criminal proceedings, the Police Force shall destroy personal data; if such personal data have not been destroyed, the Police Force shall notify aggrieved person of keeping records on his/her personal data.

5. The Police Force shall not destroy personal data kept in a file and not processed automatically.

6. The Police Force shall process as referred to in Subsections 1 to 5 also personal data obtained while preventing, detecting and discovering a perpetrator of an act otherwise being a criminal offence,27d) committed by a person not criminally liable for the lack of age or insanity.

Section 76

1.Divisions of the Police Force shall have power to request documents and information from state authorities, municipalities, legal and natural persons while performing their tasks.

2.State authorities, municipalities, legal and nature persons shall be obliged to provide requested documents and information without delay if reasons stipulated by other general binding legal regulations do not prevent them to do so.

3.The Police Force may make use of documents and information obtained this way only for the performance of its tasks and shall be obliged to protect it against disclosure.

4.The Police Force shall have power to request in written operating and location data related to a missing person while searching for a missing person from legal persons and natural persons running electronic communication networks or providing electronic communication services, 28h) with a prior consent of next of kin, sibling, adoptive parent, spouse of adoptive parent, adopted person, spouse or partner of a missing person or the one entrusted to bring up, take care and control a missing person; written request of the Police Force shall be accorded without delay.

5.The Police Force shall have power to request in written operating and location data related to electronic equipment while searching for a stolen motor vehicle the part of which was or in the time of stealth there was a telecommunication equipment of a customer of electronic communication operation, on a written request of an owner, operator or holder of telecommunication equipment from legal persons and natural persons running electronic communication networks or providing electronic communication services 28h); written request of the Police Force shall be accorded without delay.

6.Divisions of the Police Force shall advise state authorities, municipalities, legal and natural persons of facts related to their activity and may lead to threat or breach of public order.

Section 77a

1, The Police Force shall co-operate with the polices of other states, with international police organisations, international organisations and organisations acting in the territories of other states particularly in the form of information exchange, liaison officers exchange, eventually in other forms.

2. The Police Force may perform tasks of the Police Force also outside the territory of the Slovak Republic, if resulting from the international treaties binding for the Slovak Republic or based on agreement of parties concerned. The Minister shall decide about delegation of the police officers for the performance of the civil service.

3. The Ministry may, for the performance of tasks of the Police Force also outside the territory of the Slovak Republic, delegate the police officers to the international police organisations, policies of other states, international peace missions, international operations of the civil crisis management or after agreement with the Ministry of Foreign Affairs of the Slovak Republic to diplomatic missions of the Slovak Republic or to international organisations.

ANNEX XI: SECTION 2 OF THE ACT NO. 530/2003 COLL. ON COMMERCIAL REGISTAR AND COLLECTION OF DEEDS

Section 2

(1) Following data shall be inscribed to the Business Register in state language:
   a) business name, if legal person is concerned registered office, if natural person is concerned name and surname if it is different from the business name, date of birth, personal identification number, place of residence and place of business if it is different from the place of residence;
   b) identification number;
   c) line of business or activities;
   d) legal form of the legal person;
   e) name, surname, residence, date of birth and personal identification number of the natural person who is the statutory body or its member together with the indication of the manner, how this person acts on behalf of the registered party, and with the indication of the date of establishment and after the end the date of the end of is/her function; if the statutory body is a legal person, its business name, place of registered office and identification number if assigned shall be registered, as well as date of birth and personal identification number of the natural person that is its statutory body; if a foreign natural person is concerned, his/her personal identification number if assigned shall be registered;
   f) identification, address of emplacement and line of business or activities of the branch or another organisational unit of the enterprise, if the special legislation provides that it has to be registered in the Business Register together with the name, surname, residence, date of birth and personal identification number of the chief of the branch or another organisational unit of the enterprise, and with the indication of the date of establishment and after the end the date of the end of his/her function; if a foreign natural person is concerned, his/her personal identification number if assigned, is registered;
   g) name, surname, residence, date of birth and personal identification number of the natural person, if registered in the Business Register as a procurator, with indication of the manner of acting on behalf of the entrepreneur and with indication of the date of establishment and after the end the date of the end of his/her function; if the foreign natural person is concerned, personal identification number is registered if assigned;
   h) name, surname, residence, date of birth and personal identification number of the natural person, who is the member of the supervisory body of the registered party with the indication of the date of establishment and after the end the date of the end of his/her function, if the registered party has established a supervisory body; if a foreign natural person is concerned, his/her personal identification number is registered if assigned;
   i) deletion of the legal person and the legal reason of the deletion;
   j) the date of enter into liquidation and the date of the end of liquidation;
   k) name, surname, residence, date of birth and personal identification number of a natural person or business name, place of the registered office and identification number of a legal person if assigned, who shall be registered in the Business Register as a liquidator, with indication of the manner of acting on behalf of the registered person and with the indication of the date of rise of his/her function and after the end the date of the termination of the function; if the liquidator is a legal person, also the name, surname, residence, date of birth and personal identification number of the natural person acting on behalf of the legal person with the power of liquidator shall be registered; if a foreign natural person is concerned, personal identification number shall be registered if assigned;
   l) court decision on nullity of a legal person;
   m) bankruptcy order and the termination of the bankruptcy proceedings;

n) name, surname, mark of a bankruptcy trustee and address of the office of the natural person that shall be registered in the Business Register as a trustee designated in the bankruptcy proceedings, restructuring proceedings or arrangement with creditors proceedings; if as a bankruptcy trustee is a legal person designated, its business name, mark of the trustee and address of the office shall be registered;
o) date of permission of the restructuring or permission of arrangement with creditors and date of the termination of these proceedings;
p) application of forced administration pursuant to special legislation and its termination;
q) name, surname, residence, date of birth and personal identification number of a natural person or business name, place of registered office and identification number of a legal person if assigned, that shall be registered in the Business Register as a bankruptcy trustee for the application of forced administration and his assistant; if a foreign natural person is concerned, his/her personal identification number, if assigned, shall be registered;
r) legal reason of deletion of the registered person;
s) other information if so provided by special legislation[1]

(2) In the Business Register shall be inscribed also following:
a) names, surnames and residences of partners of a general commercial partnership, or business name or name and place of registered office of the legal person being a partner;
b) names, surnames and residences of partners of a limited partnership, or business name or name and place of registered office of the legal person being a partner with an indication, who is a limited partner and who is a general partner, amount of the contribution of each limited partner and extent of its paying-up, amount of the registered capital and the extent of its paying-up;
c) names, surnames and residences of partners of a limited liability company, or business name or name and place of registered office of the legal parson being a partner, amount of the registered capital and the extent of its paying-up, amount of the contribution of each partner to the registered capital and the extent of its paying-up;
d) if a joint-stock company is concerned, the amount of the registered capital, extent of its paying-up, number, sort, form and nature and nominal value of the shares, limitation of convertibility of shares on name, if the convertibility of these shares is limited; if the company has one shareholder, his/her name, surname and residence or business name or name and place of registered office of this shareholder shall be registered;
e) amount of the registered capital a co-operative and amount of the basic contribution of members;
f) name of the founder, address of the founder and the amount of proprietary capital of State-owned enterprises;
g) if an accessory company pursuant to a special legislation[2] is concerned, an information that the company participate on cross-border merger or cross-border takeover of companies with an indication in which Member State the succession company shall have its place of registered office according to the draft contract on cross-border merger or contract on cross-border takeover;

(3) At the enterprise of a non-resident and an organisational unit of the non-resident enterprise based in a Member State of the European Union, following shall be inscribed into the Business Register:
a) Identification of an enterprise or an organisational unit of the non-resident enterprise, if different from business name of the non-resident;
b) Address of the place of activity of the non-resident enterprise of the organisational unit of the non-resident enterprise;
c) Identification number of the non-resident enterprise or the organisational unit of the non-resident enterprise;
d) Line of business of the non-resident enterprise or organisational unit of the non-resident enterprise;
e) Name, surname, residence, date of birth and personal identification number of the chief of the non-resident enterprise or the chief of the organisational unit of the non-resident

enterprise with an indication of the date of establishment and after the end the date of the termination of his/her function and his/her powers; if non-resident natural person is concerned, his/her personal identification number, if assigned, shall be registered;

f) Deletion of the non-resident enterprise or organisational unit of the non-resident enterprise in the Slovak Republic;
g) Business name, place of registered office and legal form of the non-resident;
h) Register or other records where the non-resident is registered, and the number of the record;
i) Information on non-resident pursuant to paragraph 1 (e);
j) Information on liquidator or liquidators of non-resident pursuant to paragraph 1 (k);
k) Name, surname, residence, date of birth and personal identification number of the natural person or business name, or name, place of registered office and identification number of the legal person, if assigned, which shall be registered in the Business Register as the person leading the bankruptcy proceedings, restructuring proceedings or any other similar proceedings in the non-resident; if a non-resident natural person is concerned, the personal identification number shall be registered, if assigned;
l) Date of the bankruptcy order, permission of the restructuring or commencement of other similar proceedings relating the non-resident, and the date of termination of both proceedings;
m) Deletion of the non-resident.

(4) At the enterprise of a non-resident and organisational unit of the non-resident enterprise based out of the territory of Member states of the European Union, following data shall be inscribe together with the data pursuant to paragraph 3:
   a) Legal order of the state, by which the non-resident is governed, if this legal order impose an obligation of the registration of the non-resident to the business register or other register, this register and number of the record;
   b) Line of business of the non-resident;
   c) At least once per year the amount of the registered capital of the non-resident in foreign currency, if this non-resident has the registered capital and if such information does not result from documents pursuant to Section 3 par. 2 (b).

(5) At the non-resident enterprise and organisational unit of the non-resident enterprise who has a residence out of the territory of European Union Member States or OECD Member States, along with the name, surname, residence and date of birth of the foreign party, the personal identification number shall be inscribed if such number has been assigned, and mutatis mutandis also data pursuant to paragraph 3 letter a) to h), l) and m).

(6) At the inscription of the non-resident enterprise and organisational unit of the non-resident enterprise who has a residence in one of the EU Member States or OECD Member States and such person proposes the inscription into the Business Register on his/her own motion, the data pursuant to paragraph 5 shall be inscribed.

(7) An identification number shall be assigned to the registered party by the Register Court if such number has not been assigned to him/her by another State body pursuant to special legislation[3] The competent state body shall notify the identification number to the Register Court."

ANNEX XII: SECTION 4 OF THE ACT 199/2004 COLL. OF MARCH 10, 2004 ON CUSTOMS LAW AND ON AMENDMENTS AND SUPPLEMENTS TO SOME ACTS (AMENDMENT: 652/2004 COLL. OF ACTS)

Section 4

An obligation to report on the import, export, and transit of pecuniary means or other means of payment

(1) Import, export, and transit of pecuniary means in cash or other equivalent means of payment across the customs area of the Union is subject to customs supervision. Other equivalent means of payment are understood to be securities, cheques and bills of exchange, precious metals, and precious stones.

(2) A person that imports, exports, or transits pecuniary means in cash or other equivalent means of payment pursuant to paragraph 1 in the total amount equivalent to an amount of at least EUR 15,000, is obliged to report this fact to the relevant Customs Office in writing on a form, a sample of which is given in Annex No. 1.

(3) An obligation to report pursuant to paragraph 2 must also be fulfilled by a person who sends to the third country or receives from the third country a postal item or other consignment containing pecuniary means in cash or equivalent means of payment to a total amount equivalent to an amount of at least EUR 1,000.

(4) The value of pecuniary means in Slovak currency or another currency is determined for the purposes of paragraphs 2 and 3 by the relevant currency exchange rate declared by the Slovak National Bank valid on the date of import and export of banknotes and coins or on the day of handing in a postal item or other consignment.

(5) The Customs Office sends the completed forms pursuant to paragraph 2 and notifications on infringement of customs regulations pursuant to Section 72 Par. 1 letter n) to the Financial Police Service of the Police Force 4) by the fifth day of the calendar month following the month in which these facts occurred.

(6) The Customs Office exercises control of performing the obligation to report pursuant to paragraphs 2 and 3. In the event of control, the Customs Office is authorized to require the necessary cooperation of controlled persons. The Customs Office exercises control in accordance with authorizations and with the application of means pursuant to a specific regulation.[79]

[79] Act No. 652/2004 Coll., on administrative bodies in the customs field as amended

ANNEX XIII: EXTRACTS FROM THE ACT OF 26 OCTOBER 2004 ON STATE ADMINISTRATION BODIES IN THE FIELD OF CUSTOMS AND ON AMENDMENTS AND SUPPLEMENTS TO SOME ACTS

Section 17
Authorization to Demand an Explanation

(1) The customs officer is authorized to request a necessary explanation from the person that may contribute to clarification of the facts necessary for uncovering a customs offence, 22) violation of customs law23) or infringement of tax assessments and to detection of their perpetrators, as well as discovering goods and articles that escaped customs supervision or goods and articles in which specific regulations6) were infringed. In case of need, the customs officer is authorized to call on a person to present itself at once or at a given time to the Customs Office for the purposes of drawing up a record and explaining itself.

(2) An explanation can be refused only by someone for whom it would cause a danger of prosecution for a criminal offence or danger of recourse for a misdemeanour, violation of customs law or another administrative violation to himself or a close person35), or someone that is bound by a secret of confession or information secrecy inviolability, that was entrusted verbally or in writing under the confidentiality condition, if he is commissioned to provide pastoral care.

(3) An explanation must not be requested from someone that has notified that he would infringe the duty of confidentiality imposed or accredited by the law and has not been relieved of this duty.

(4) The customs officer is obliged to advise on a possibility to refuse an explanation pursuant to paragraphs 2 and 3.

(5) The one who presents himself upon the call pursuant to paragraph 1, is entitled toa refund of necessary expenses and a refund of wages that he demonstrably missed 36) (hereinafter referred to as a "refund"). A refund is provided by the Customs Administration. The one who presented himself only in his own interest or as a consequence of his illegal action is not entitled to a refund.

(6) An entitlement to a refund pursuant to paragraph 5 must be exercised within eight days from the day when a person that was called upon presented itself, otherwise it ceases to exist; it is necessary to advise a person that was called upon about it.

(7) If a person that was called upon does not comply with the call pursuant to paragraph 1 without apology or without serious reasons, the customs officer can have it taken in to the nearest Customs Office, so that a record can be drawn up with it on providing an explanation. The customs officer will draw up an official record on taking in custody.

(8)The record of explanation must be drawn up with a person that was taken in custody without unreasonable delay.

(9) The customs officer is obliged to deliver a person that was taken in to bodies active in criminal proceedings or another relevant body, if he shall ascertain such reasons from the provided explanation; otherwise he shall release a person at once. He will produce an official record on delivery of a person.

Section 22
Authorization for the Detention of an Article

(1) If there is a justified suspicion that an article, goods, or papers connected with a criminal offence or misdemeanour22) committed in connection with infringement of customs regulations or violation of customs law pursuant to a specific regulation,23) or with infringement of tax assessments and if it is necessary for finding out the state of facts, the customs officer is authorized to detain them for the execution of necessary operations; the detention may last only till the decision of bodies active in criminal proceedings, in a misdemeanour and violation of customs law, 60 days from the day of the detention at the most.

(2) The one who possesses an article, goods, or papers specified in paragraph 1, is obliged at the call of the customs officer to surrender them; it does not apply to a document the content of which concerns a circumstance, on which a ban to require an explanation is valid, except for a case when an exemption from the duty to keep the matter concealed or to the exemption from the duty of confidentiality came.

(3) If an article, goods, or papers specified in paragraph 1 will not be surrendered upon the call, the customs officer can withdraw them.

(4) An article, goods, or papers that were surrendered, released, taken over, or withdrawn, shall be returned to the one who surrendered them or from whom they were withdrawn or from whom they were taken over, if the reasons for the release, withdrawal, or taking over passed away; the provisions of specific regulations 39) apply to the detention of goods pursuant to this Act, unless this Act stipulates otherwise.

(5) If the object of the detention is necessary for the execution of procedural operations, the customs officer will deliver it to the Customs Office or bodies active in criminal proceedings.

(6) If the customs officer did not return an article, goods, or papers pursuant to paragraph 4, the Customs Office competent according to the duty classification of the customs office, that detained an article, goods or papers, shall issue a decision on the detention, in which it will state reasons for which an article, goods, or papers were detained, their exact description and will deliver it to the person from which an article, goods, or papers were detained. This person may file an appeal against a decision on the detention of an article, goods, or papers within the period of 15 days from the day of delivery of a decision. An appeal has no dilatory effect.

(7) Bodies active in criminal proceedings are obliged to return the object of the detention to the relevant Customs Office after closing a prosecution for a criminal offence for the execution of a customs procedure, and that is also if the court inflicted a penalty for its forfeiture, or if court inflicts that the object of the detention shall be seized.

(8) If the owner of the object of the detention is not known, the customs officer will deliver the object of the detention to the relevant Customs Office.

(9) The customs officer will draw up an official record on the detention, return, and delivery for the execution of procedural operations or storage of the object of the detention and will issue a certificate on the detention of an article. The official record and certificate must include sufficiently accurate description of the released, withdrawn, or delivered article, so that it may not be interchanged with another article.

Act on Supervision of the Financial Market

The full wording of Act No. 747/2004 Coll. dated 2 December 2004 on Supervision of the Financial Market and on amendments and supplements to certain laws, as amended by Act No. 340/2005 Coll., Act No. 519/2005 Coll., Act No. 214/2006 Coll., Act No. 644/2006 Coll., Act No. 659/2007 Coll., Act No. 552/2008 Coll., Act No. 276/2009 Coll., Act No. 492/2009 Coll. and Act No. 186/2009 Coll.

The National Council of the Slovak Republic has resolved upon the following Act:

Section I

PART ONE
BASIC PROVISIONS

ARTICLE 1
Subject and Scope of the Act

(1) This Act lays down general rules of procedure for supervision of the financial market in the area of banking, capital market, insurance business, and pension schemes, performed by the National Bank of Slovakia. The purpose of supervision of the financial market is to contribute to the stability of the financial market as a whole, as well as to its safe and smooth operation, in the interest of maintaining the credibility of the financial market, the protection of customers, and compliance with the rules of competition.

(2) The National Bank of Slovakia shall perform supervision of the financial market in accordance with this Act and separate laws.[1)]

(3) As part of its supervision of the financial market, the National Bank of Slovakia shall

a) perform supervision of banks, branch offices of foreign banks, securities dealers, branch offices of foreign securities dealers, stock exchanges, central depositories, asset management companies, branch offices of foreign asset management companies, mutual funds, foreign collective investment undertakings, insurance companies, reinsurance companies, branch offices of foreign insurance companies, branch offices of foreign reinsurance companies, branch offices of insurance companies from another state, branch offices of reinsurance companies from another state, pension asset management companies, pension funds, supplementary pension insurance companies, supplementary pension companies, supplementary pension funds, payment institutions, branch offices of foreign payment institutions, electronic money institutions, branch offices of foreign electronic money institutions, independent financial agents, financial advisers, the Deposit Protection Fund, the Investment Guarantee Fund, the Slovak Bureau of Insurers, consolidated groups, subconsolidated groups, financial holding institutions, mixed financial holding companies, financial conglomerates, and within the scope stipulated by this Act or the separate law[1)] also over other persons, other property associations with a designated purpose and over groups of persons and property associations with a designated purpose, charged with obligations under separate laws in the area of banking,

capital market, insurance business, pension insurance or pension schemes (hereinafter referred to as ”supervised entity”); in supervising the supervised entities, the National Bank of Slovakia shall:

1. set out prudential business rules, rules for safe operation and other requirements on business pursued by supervised entities,
2. supervise over compliance with the provisions of this Act, separate laws[1)] and other generally binding regulations, which apply to supervised entities or their activities, as well as over compliance with the provisions of legally binding legal acts of the European Communities and the European Union, which apply to supervised entities or their activities, if provided so by these legal binding acts,
3. conduct proceedings, grant authorisations, licences, approvals and prior consents, impose sanctions and remedial measures, issue other decisions, positions, methodological guidance and recommendations in accordance with this Act and separate laws and supervise over compliance with its decisions, including the adherence to the conditions set in these decisions,
4. perform on-site and off-site supervision of supervised entities,

b) perform supervision of the Export-Import Bank of the Slovak Republic within the scope stipulated by the separate law;[1a)] this supervision shall be performed following the same procedure as the on-site supervision;

c) issue generally binding legal regulations for the enforcement of this Act and separate laws[1)] pertaining to the financial market, if stipulated so by these laws,

d) co-operate with the Ministry of Finance of the Slovak Republic[2)] (hereinafter referred to as “the Ministry“) and the Ministry of Labour, Social Affairs and the Family of the Slovak Republic[2)] in drafting bills and other generally binding statutory provisions in the field of the financial market,

e) co-operate and exchange information, within the scope necessary for the conduct of supervision of supervised entities and under the conditions stipulated by this Act and separate laws, with foreign financial market supervisory authorities (hereinafter referred to as “foreign supervisory authority“), with other public agencies in the Slovak Republic and in other states and with other persons, who possess information on supervised entities or whose activities are associated with supervised entities,

f) present to the National Council of the Slovak Republic[3)] and the Government of the Slovak Republic, and publish

1. semi-annual reports on the status of and developments in the financial market within three months of the end of the respective calendar year,
2. annual reports on the status of and developments in the financial market within six months of the end of the respective calendar year,

g) perform other activities and authorisations in the area of financial market in accordance with this Act and separate laws.[1)]

ARTICLE 2
General Principles for Performing Supervision

(1) In performing supervision of supervised entities, the National Bank of Slovakia shall ascertain and assess information and inputs on matters concerning the supervised entity and its operation or other persons whose position, transactions or other activities are related to the supervised entity, especially on shortcomings in the activities of the supervised entities, the causes of the shortcomings revealed, consequences of the shortcomings revealed and persons responsible for the shortcomings revealed. In performing supervision, procedure in accordance with this Act shall be followed, unless provided otherwise by a separate law[1)].

(2) Supervision of supervised entities is non-public and shall be performed as supervision on an individual basis over individual supervised entities, as supervision on a consolidated basis over groups of persons and property association with a designated purposes, also including supervised entities as their members, and as supplementary supervision of financial conglomerates. Supervision on a consolidated basis and supplementary supervision of financial conglomerates shall not replace supervision on an individual basis.

(3) Subject to supervision of supervised entities shall not be resolution of disputes arising from legal relations between supervised entities and their clients, the hearing and deciding of which falls under the jurisdiction of competent courts or other authorities in accordance with separate regulations.[4)]

(4) In performing supervision, the National Bank of Slovakia and its employees, who perform the supervision on behalf of the National Bank of Slovakia (hereinafter referred to as "supervising officer"), shall be vested with authorisation in accordance with this Act and separate laws. The responsibility for performance of supervision shall lie with the National Bank of Slovakia. Persons vested with performance of supervision shall not be accountable to third persons for the consequences caused by the performance of supervision; this shall not prejudice their labour-law responsibility to the National Bank of Slovakia, nor their criminal-law responsibility.

(5) The members of the National Bank of Slovakia's Bank Board (hereinafter referred to as 'Bank Board'), persons vested with performance of supervision and other employees of the National Bank of Slovakia shall be obligated to maintain secrecy[5)] about information obtained during supervision of supervised entities, including the protocols on supervision performed and dossiers on the proceedings before the National Bank of Slovakia; this secrecy obligation and release thereof shall abide by the provisions of a separate law,[5)] unless provided otherwise hereunder. On the basis of information obtained during supervision of supervised entities, the National Bank of Slovakia and supervising officers may make available and provide to third persons just the information published/disclosed hereunder or a separate law[1)] and other information in recapitulative form, from which it is not possible to identify, which particular supervised entity or which other particular person is concerned, unless provided otherwise by this Act or a separate law.[1)]

(6) If, in performing supervision, the National Bank of Slovakia establishes any facts indicating that a criminal act has been committed, it shall notify of this forthwith the competent criminal law enforcement authority. If, in performing supervision, the National Bank of Slovakia finds a suspicious business operation or a breach of supervised entities' duties in the prevention or detecting of the laundering of proceeds from criminal activities and financing terrorism, it shall immediately inform the financial police department of the Police Corps and a State authority fulfilling the duties in the field of the constitutional system protection and the State internal order and security.

(7) A supervised entity, members of its bodies, its employees and other persons, whose activities are related to the supervised entity, shall be obliged to enable the performance of supervision, refrain from any action that could frustrate the performance of such supervision, and provide, in the state language, any information, documentation, concurrence and assistance required by the National Bank of Slovakia or supervising officers for the purposes

of performing supervision; if the documentation is made out in a language other than the state language, a supervised entity shall be obliged to present at its own expense also a officially certified translation of the documentation into the state language. A supervised entity shall be obliged to enable the presence of supervising officers in sessions of its general meeting, supervisory board, statutory body or its another body governing or auditing the supervised entity's activities; while the supervised entity is obliged to deliver notification about the date and agenda of every meeting of such body, at least three working days in advance, to the National Bank of Slovakia.

(8) The National Bank of Slovakia shall be entitled, also beyond proceedings on remedial action or sanction, to discuss problems and discrepancies in the supervised entity's activities with members of its statutory body, supervisory board or another body governing or auditing the supervised entity's activities, and/or with its executive staff[6)] and the head of an internal control and internal audit unit; these persons shall be obliged to provide the National Bank of Slovakia with the concurrence required thereby.

(9) Under Article 37(3), the National Bank of Slovakia shall publish opinions, methodological guidance and recommendations determined thereby and relating to supervision of the financial market, explaining the application of this Act, separate laws and other generally binding regulations relating to supervised entities or their activities.

(10) The onsite supervision shall mean the acquirement of information and materials on the facts related to the supervised subject and its activity or other persons whose position, trades or another activity relates to the supervised subject usually directly from the supervised subject or from its employees, as well as the assessment of the information and materials acquired in the said manner; the information and materials acquired in the said manner may be used also for the purposes of the proceedings conducted by Národná banka Slovenska. Anyhow, the onsite supervision shall not mean the acquisition and assessment of the information and materials exercised on site by the procedure of Národná banka Slovenska within the proceedings conducted by Národná banka Slovenska in accordance with Articles 12 through 34 of this Act and in accordance with special legislation.

(11) The distance supervision shall mean the acquirement and assessment of the information and materials related to the supervised subject and its activity or other persons whose position, trades or another activity relates to the supervised subject in a different manner than the onsite supervision, particularly by the acquirement and assessment of the information and materials submitted to Národná banka Slovenska at its written request and the information given in reports, statements and other materials submitted to Národná banka Slovenska in accordance with this Act, special legislation, other generally binding legal regulations or the decisions issued by Národná banka Slovenska; the information and materials acquired in the said manner may be used also for the purposes of the proceedings conducted by Národná banka Slovenska. Anyhow, the distance supervision shall not mean the acquisition and assessment of the information exercised at a distant by the procedure of Národná banka Slovenska within the proceedings conducted by Národná banka Slovenska in accordance with Articles 12 through 34 of this Act and in accordance with special legislation.

(12) Costs associated with on-site and off-site supervision incurred by the National Bank of Slovakia, shall be born by the National Bank of Slovakia and costs incurred by a supervised entity shall be born by the supervised entity, unless provided otherwise by this Act or a separate law.[1)]

ARTICLE 3
Concurrence in Performing Supervision

(1) Government authorities, local government authorities and other public agencies, the Notarial Chamber of the Slovak Republic[7], the Slovak Chamber of Auditors,[8] notaries,[7] auditors,[8] auditing companies,[8] the central depository of securities,[9] members of the central depository of securities,[9] the stock exchange,[10] and other persons,[11] whose activities are related to supervised entities, shall be obliged to provide the National Bank of Slovakia with concurrence required thereby in order to perform supervision under this Act and under separate laws. At the same time, they shall be obliged to disclose and provide the National Bank of Slovakia free of charge with opinions, explanations and other information and supporting documentation requested thereby, which they acquired during their activities, including the information from records and registers kept thereby. A body or person so inquired shall have the right to refuse disclosure and provision of the requested information only in cases where this would lead to the breach of secrecy obligation, or to disclosure or provision of information in contradiction to the law or an international treaty, binding on the Slovak Republic and which has precedence over the laws of the Slovak Republic.

(2) Legal entities and natural persons, to whom paragraph 1 does not apply and who possess documents or information related to supervised entities or their activities, shall be obliged to disclose and provide them at request by the National Bank of Slovakia in writing or orally for record; if at request they provide the National Bank of Slovakia with the information orally for record, the making out and requisites of such record shall abide by Article 17(3 and 4).

(3) As part of cooperation during the performance of supervision of supervised entities, the National Bank of Slovakia shall be authorised to disclose and provide information to foreign supervisory authorities, auditors,[8] auditing companies,[8] the Slovak Chamber of Auditors,[8] as well as to other public agencies and persons,[11] whose activities relate to supervision of supervised entities, and also to advise them of such shortcomings revealed during the performance of supervision of supervised entities, for the solution and professional review of which they are competent. Where release of secrecy obligation under a separate law[5] is required for such disclosure and provision of information, a written agreement on co-operation and provision of information between the National Bank of Slovakia and the competent authority or person approved by the Bank Board shall also be deemed to be such release of secrecy obligation.

(4) Information disclosed or provided by the National Bank of Slovakia under paragraph 3 may only be used to perform supervision of supervised entities, to control the quality of auditing services and to discharge other tasks prescribed by law[12] by authorities and persons referred to in paragraph 3. The authorities and persons referred to in paragraph 3, to whom the National Bank of Slovakia disclosed or provided information, shall be obliged to maintain secrecy about this information, protect it against unauthorised access, revelation, misuse, alteration, damage, destruction, loss, stealing and maintain secrecy thereon.[13] Authorities and persons referred to in paragraph 3 may provide each other with such information solely for the same purpose or proceeding, for which they have been disclosed or provided by the National Bank of Slovakia; otherwise they may only disclose or provide it to each other, or make it public, only subject to prior written consent of the National Bank of Slovakia. Where under a

separate regulation[14)] information related to supervision of supervised entities or their activities is requested, a person subject to this obligation shall not disclose and provide it.[15)]

(5) Information that is obtained by the National Bank of Slovakia, supervising officers or invited persons from foreign supervisory authorities may solely be used to perform supervision of supervised entities and to discharge by the National Bank of Slovakia other tasks prescribed by law. The National Bank of Slovakia may disclose or provide this information to other authorities or persons or to disclose it only subject to approval from the foreign supervisory authority, which provided this information.

(6) The details of providing concurrence in accordance with paragraphs 1 to 5 may be laid down in a written agreement on co-operation and provision of information between the National Bank of Slovakia and the respective authority or person, provided that a draft of such agreement is approved on behalf of the National Bank of Slovakia by the Bank Board; the National Bank of Slovakia may conclude such an agreement with a foreign supervisory authority only on reciprocal basis.

ARTICLE 4

International Co-operation for Performance of Supervision

(1) A foreign supervisory authority from a member state of the European Union or another state of the European Economic Area (hereinafter referred to as "Member State") may perform, within the territory of the Slovak Republic, supervision of the activities of a supervised entity, which is a branch office or a subsidiary of a foreign person, whereas this foreign person is subject to supervision by the respective foreign supervisory authority. A foreign supervisory authority from a state other than a Member State may perform, within the territory of the Slovak Republic, supervision over the activities of a supervised entity, which is a branch office or a subsidiary of a foreign person only on the basis of an agreement made between the National Bank of Slovakia and the competent foreign supervisory authority; the National Bank of Slovakia may conclude such an agreement only on reciprocal basis. A foreign supervisory authority shall be obliged to notify beforehand the National Bank of Slovakia of the performance of on-site supervision within the territory of the Slovak Republic. In performing on-site supervision within the territory of the Slovak Republic, foreign supervising officers shall have the same authorisations, duties and responsibility as supervising officers entrusted with on-site supervision on the basis of authorisation from the National Bank of Slovakia. However, they are not obliged to draw up a protocol on completed on-site supervision, nor are they obliged to set and inform the supervised entity as to a deadline for taking measures related to the elimination of shortcomings found during an on-site supervision.

(2) The National Bank of Slovakia may perform, within the territory of another Member State, supervision of the activities of a supervised entity, including its branch offices, and over a subsidiary of the supervised entity, provided that this supervised entity has its registered office within the territory of the Slovak Republic and provided that such supervision is allowed by legislation in force in the respective Member State. The National Bank of Slovakia may perform, within the territory of a state other than a Member State, supervision of the activities of a supervised entity, including its branch offices, and over a subsidiary of the supervised entity, provided that this supervised entity has its registered office within the territory of the Slovak Republic and provided that such supervision is allowed by legislation in force in the respective state and there was an agreement made between the National Bank of Slovakia and a foreign supervisory authority from the state in question.

(3) The National Bank of Slovakia may be a member of international organisations in the area of the financial market supervision and provide the performance of tasks ensuing from membership in such organisations. The National Bank of Slovakia shall provide for discharge of tasks, arising to national supervisory authorities from international treaties binding on the Slovak Republic, and from membership of the Slovak Republic organisations in the area of the financial market supervision. At the same time, the National Bank of Slovakia shall also be involved in such activities of authorities of the European Union, which relate to supervision of the financial market.

ARTICLE 5
Financial Market Supervision Unit

(1) The Bank Board shall ensure that an organisational unit is set up within the National Bank of Slovakia for performing specific tasks in connection with the supervision of financial market entities (hereinafter referred to as "financial market supervision unit"), which shall

a) perform on-site supervision;

b) perform off-site supervision;

c) conduct proceedings and decisions in the first instance, unless this Act or a separate law stipulates otherwise;

d) prepare proposals for the regulation of the financial market in compliance with the rules set by the Bank Board, i.e. the drafts of generally binding legal regulations to be issued by the National Bank of Slovakia for the enforcement of this Act and separate laws[1)] pertaining to the financial market, if stipulated by these laws, especially the drafts of rules governing the prudential conduct, safe operation, and other requirements for the business activities of supervised entities.

(2) The financial market supervision unit shall be within the competence of a vice-governor of the National Bank of Slovakia or another member of the Bank Board, according to the Organisational Order of the National Bank of Slovakia. The vice-governor or another member of the Bank Board pursuant to the first sentence in charge of the financial market supervision unit, or the senior officer of the financial market supervision unit[16)] pointed by the vice-governor[16)], shall set the course of action to be followed by the financial market supervision unit in performing its tasks set out in paragraph 1, including decision-making and signing of decisions in the first instance on behalf of the financial market supervision unit, unless the law stipulates otherwise. If a Vice-governor or another member of the Bank Board pursuant to the first sentence has not been designated, the powers referred to in the second sentence shall be exercised by employees of the financial market supervision unit in accordance with their respective scopes of authority as defined in the organisational regulations of the National Bank of Slovakia.[17)]

(3) In supervision performance, the financial market supervision unit shall act on its own, independently and impartially, in accordance with this Act, separate laws, or other generally binding legal regulations; in so doing the unit shall co-operate, exchange information, data or documentation, and render assistance on a reciprocal basis with other organisational units and bodies of the National Bank of Slovakia, in an extent necessary for a due and effective performance of tasks prescribed by law and the activities of the National Bank of Slovakia. In acting and deciding in the first instance, the financial

market supervision unit shall be bound by the decisions of the Bank Board issued in the second instance[18)] and the decisions of the court issued in connection with the examination of the final decisions of the National Bank of Slovakia in terms of administrative justice.[19)] The financial market supervision unit must not be assigned tasks that may affect the independent, impartial, proper, and timely discharge of statutory obligations during the inspection of entities subject to supervision.

PART TWO
PROCEDURE FOR ON-SITE SUPERVISION

ARTICLE 6

On-site supervision may be performed by a supervising officer, who holds a written authorisation from the National Bank of Slovakia for performance of on-site supervision. The written authorisation to perform on-site supervision shall contain the designation of a supervised entity, first names, surnames and capacities of supervising officers, the subject of supervision, the supervision commencement date, the scheduled duration of supervision, if specified, the official seal of the National Bank of Slovakia and the first name, surname, capacity and signature of an authorised executive officer from the financial market supervision unit, who has granted this authorisation on behalf of the National Bank of Slovakia, unless provided otherwise by a separate law[20)].

ARTICLE 7

(1) A supervising officer shall be excluded from the performance of on-site supervision, as long as, regarding his relationship to the subject of supervision, the supervised entity or its employees, his impartiality can be challenged.

(2) A supervised entity, which learns about any particulars suggesting that a supervising officer should be excluded from the performance of on-site supervision, it shall be obliged to notify forthwith the National Bank of Slovakia of such particulars in writing. Such a notice of objection on the ground of bias must state, against whom the objection on the ground of bias is directed, the reason for which the supervising officer is to be excluded from the performance of on-site supervision, when the supervised entity learnt of such a reason and by what proofs can this reason be supported; a supervised entity shall be obliged, together with the notice of objection on the ground of bias, to present proofs available to it. A repeated notice giving the same particulars and reasons shall be disregarded, once decided on.

(3) A supervising officer, who learns of any particulars suggesting his exclusion from the performance of on-site supervision, shall be obliged to notify his superior of such particulars forthwith in writing, who granted the authorisation to perform the on-site supervision, including the notification of reasons and presentation of proofs, on the basis of which this person is to be excluded from the performance of on-site supervision. A member of the Bank Board, the senior officer of the financial market supervision unit shall notify the Bank Board of this circumstance in writing, including the notification of reasons and presentation of proofs, based on which he should be excluded from the conduct of on-site supervision.

(4) A supervising officer, to whom an objection on the ground of bias concerns because of reasons mentioned in paragraph 1, shall only perform such acts that cannot be delayed until a decision on his exclusion from on-site supervision is made. The supervising officer against whom the objection on the ground of bias raised by a supervised entity is directed shall without undue delay submit to the competent person to which the decision on the objection is conferred his statement in writing regarding the content of the objection.

(5) A decision on the objection on the ground of bias shall be made within ten working days from its filing. A decision on whether a supervising officer is excluded from the performance of on-site supervision shall be made by his superior; where the objection on the ground of bias concerns several supervising officers, a decision on their exclusion from the performance of on-site supervision shall be made by the superior they have in common. A decision on the exclusion of the senior officer of the financial market supervision unit or of a member of the Bank Board from on-site supervision shall be made by the Bank Board; on the exclusion of a member of the Bank Board shall not be taken by the member of the Bank Board whom the voting concerns. Such decision-making shall not abide by the provisions on proceedings before the National Bank of Slovakia under this Act and separate laws, nor the general regulations on administrative proceedings.[21)] Against the decision on the exclusion from on-site supervision or against the rejection of the objection on the ground of bias.

(6) Where a decision is made to exclude a supervising officer from the performance of on-site supervision, the competent senior officer of the financial market supervision unit shall take measures to ensure due continuation and completion of the on-site supervision. In the event of a decision to exclude the senior officer of the financial market supervision unit and concurrently of his deputies, the Bank Board shall designate a person to be responsible for due continuation and completion of the performance of on-site supervision, including the drawing up of a protocol on the performed on-site supervision.

ARTICLE 8

(1) In performing the on-site supervision, supervising officers shall be authorised

a) to enter and after an unsuccessful appeal for providing access to force the access to the land, buildings, rooms, facilities and other premises of the supervised entity, including its means of transport; inviolability of private dwelling may not be breached through the exercise of this right,[22)]

b) to require the supervised entity and its employees to provide them, within the set deadline, with
   1. documents, including their originals, statements, documentation and other written material and information, including information on technical data media, officially certified translations of reviewed written materials and information and to enable them to gain access to other objects of supervised entities,
   2. explanations, opinions and other oral and written information on the subject of supervision and the shortcomings revealed,

c) to take over, and in justified cases also relocate beyond the premises of the supervised entity the originals of documents, and materials, information on technical data media and other information written materials and objects; after an unsuccessful appeal for providing deeds, documents, information on technical data media and other required information, written materials and items to force access to them by overcoming resistance or a created obstacle, and that also with the assistance of an invited person capable of overcoming resistance or a created obstacle,

d) to request concurrence and discharge of duties from the supervised entity and its employees; this concurrence however may not be required, should it endanger the lives or health of these persons or should it breach the secrecy obligation required by law, unless the persons providing the concurrence are released of this obligation by a competent authority,
e) to take other measures necessary to ensure an efficient and smooth performance of supervision,
f) to exercise other authorisations under this Act and under separate laws.

(2) In performing on-site supervision, supervising officers shall be obliged
a) to present to the supervised entity, no later than on the commencement of supervision, a written authorisation from the National Bank of Slovakia for performing such supervision, together with an identity document,
b) to issue to the supervised entity a written confirmation of the receipt of originals of documents and other written materials and objects taken outside the supervised entity's premises and to ensure their protection against loss, destruction, damage and misuse; if the documents taken over and other objects are no longer needed for further performance of the supervision of supervised entity, for proceedings or another action in accordance with this Act or a separate law, they shall be obliged to return them forthwith to the one from whom they were received,
c) to make out a written protocol of the on-site supervision performed, serve one counterpart thereof to the supervised entity, set an adequate deadline of at least three working days for the supervised entity to file written objections against the data stated in this protocol, check on the justness of written objections filed by the supervised entity and to deliver to the supervised entity a written notice of the result of review of objections submitted; this shall likewise apply to a written interim protocol or a partial protocol, had such a protocol been made out on a particular finding in the interest of ensuring an efficient and smooth performance of supervision,
d) where necessary, to set and notify in writing a supervised entity as to the deadlines it is obliged to take measures in order to remove and remedy the shortcomings found during the on-site supervision and causes of their arising, and to submit in writing to the National Bank of Slovakia reports on the measures taken,
e) to respect the supervised entity's rights under this Act and under separate laws,
f) to ensure protection of information and supporting documentation obtained during the on-site supervision so as to prevent unauthorised disclosure of confidential particulars, trade secrecy, banking secrecy, tax secrecy and other confidential information or information protected by secrecy obligation expressly imposed or recognised under separate laws;[23)] the provision of such information and supporting documentation for the performance of tasks and authorisations of the National Bank of Slovakia under this Act and under separate laws shall not qualify as the breach of this obligation, where necessitated by their exercise,
g) to discharge other obligations stipulated by this Act and by separate laws.

ARTICLE 9

(1) A supervised entity and its employees affected by the conduct of on-site supervision shall have the right to take position in writing on shortcomings revealed in the course of the on-site supervision conduct, communicated to them during on-site supervision by supervising officers. A supervised entity shall have the right to submit, within the set deadline, written

objections against the data stated in the protocol on the on-site supervision performed, as well as written objections against the data stated in the interim or partial protocol, if such a protocol has been made out.

(2) A supervised entity shall be obliged to create suitable material and technical conditions for performance of on-site supervision, and forthwith, but no later than within the time limit as per Article 8(2d), adopt and accomplish its measures to remove and remedy the shortcomings revealed during on-site supervision and causes of their rising, as well as to submit written reports to the National Bank of Slovakia immediately after the adoption and also after the accomplishment of such measures.

(3) During the on-site supervision, a supervised entity, members of its bodies, its employees and other persons whose activities are related to the supervised entity shall also be obliged

a) to enable the exercise of authorisations pertaining to the National Bank of Slovakia, supervising officers and invited persons during the performance of on-site supervision,
b) to provide supervising officers and invited persons with the concurrence required thereby for the purposes of on-site supervision, especially documents, other written materials, oral and written information and oral and written positions on the subject of supervision and the shortcomings revealed,
c) as requested by supervising officers, to take part in the consideration of a protocol on the on-site supervision performed, an interim protocol, a partial protocol or the supervised entity's written objections stated in such protocols,
d) to discharge other obligations laid down in this Act and separate laws.

ARTICLE 10

(1) A protocol on the performance of on-site supervision shall contain

a) the supervised entity's identification data, namely for a legal entity its business name, the address of its registered office and identification number, if any, and for a natural person his first name, surname, the birth registration number or birth date and the address of his permanent residence or of the place of business, where different from the permanent residence,
b) first names, surnames and capacities of persons who participated in the supervision performed,
c) the place, commencement date and the duration of on-site supervision,
d) the subject of on-site supervision performed and a period subject to supervision, if determined,
e) the description of state of affairs and shortcomings revealed during the supervision performed, including the quotation of written materials and other facts proving such findings, and legislation, the violation of which has been revealed; a protocol on the on-site supervision performed may also contain recommendations for improvement of the supervised entity's activities, had they followed from the supervision performed,
f) a deadline set for submission by the supervised entity of written objections against the data stated in this protocol,
g) the place and date of making this protocol and first names, surnames, capacities and signatures of persons in charge for the protocol made.

(2) Forming part of a protocol on the performed on-site supervision deposited with the National Bank of Slovakia shall be a document on the delivery of this protocol to the supervised entity, as well as the supervised entity's written objections, if any, against the data stated in this protocol, a counterpart of a written notice to the supervised entity on the results of review of written objections filed by the supervised entity and a document on the delivery of such a notice to the supervised entity.

(3) A supervised entity shall have the right to inspect a protocol on the performed on-site supervision deposited with the National Bank of Slovakia and to take notes thereon at its own cost; such protocol may not be made available or provided to other persons, except for the cases set out in Article 2(6) and Article 7(3). At its request and on the payment of expenses incurred, a supervised entity shall have the right for a copy to be made by the National Bank of Slovakia of a protocol on the performed on-site supervision deposited with the National Bank of Slovakia.

(4) Paragraphs 1 to 3 shall also apply, where appropriate, to interim and partial protocols.

(5) On-site supervision shall terminate on the delivery of a written notice to a supervised entity on the results of review of its written objections against the data stated in the protocol on on-site supervision performed, where the supervised entity files such objections; otherwise the performance of on-site supervision shall terminate on the fruitless lapse of a time limit set for a supervised entity for submission of written objections against the data stated in the protocol on the on-site supervision performed.

(6) A protocol on the on-site supervision performed, an interim and partial protocol shall be filed in the National Bank of Slovakia for ten years of the end of on-site supervision.

ARTICLE 11

(1) In order to perform a particular task during the on-site supervision of supervised entities under this Act and under separate laws, the National Bank of Slovakia may, at any stage of on-site supervision, invite employees of public agencies, employees of a foreign supervisory authority, employees of other legal entities or other natural persons, subject to consent from the concerned invited person and if justified by the special nature of the task which is subject to the on-site supervision and which cannot be performed by supervising officers themselves.

(2) During their participation in the on-site supervision, invited persons shall have the same authorisations, duties and responsibility as are held under this Act and under separate laws[1)] by supervising officers, unless provided otherwise by this Act or a separate law. Invited persons shall not draw up a protocol on the on-site supervision performed. Invited persons may take part in on-site supervisions on the basis of a written authorisation from the National Bank of Slovakia for participation in the on-site supervision and only when accompanied by a supervising officer.

(3) Where the invited persons are employees, their participation in the on-site supervision shall under a separate law[24)] be deemed to be another act of public concern, for the conduct of which the invited persons shall be given a time off and for which they shall be entitled to compensation of wages or salary equal to the amount of income forgone on account of their participation in the on-site supervision. Employers of invited persons, who pay them compensation of wages or salary for a period of their participation in the on-site supervision, shall be entitled to the full amount of this compensation, as well as the paid mandatory social and health insurance refunded by the National Bank of Slovakia, provided that they submit to the National Bank of Slovakia credible written documents concerning the amount of compensation of wages or salary paid thereby to invited persons and the amount of mandatory social and health insurance paid by the employers.

PART THREE
PROCEEDINGS BEFORE THE NATIONAL BANK OF SLOVAKIA
ARTICLE 12

(1) Proceedings in the matters entrusted to the National Bank of Slovakia under this Act and under separate laws,[25)] which are to decide on the rights or duties of supervised entities or other persons, shall abide by this Act, unless provided otherwise by a separate law;[25)] proceedings before the National Bank of Slovakia under this Act and under separate laws[25)] shall not abide by general regulations on administrative proccedings.[21)]

(2) Tasks assigned to supervised entities by the National Bank of Slovakia in the area of monetary policy and payment services under a separate law[26)] shall not abide by the provisions on proceedings before the National Bank of Slovakia under this Act and under separate laws, general regulations on administrative proceedings.[21)]

ARTICLE 13

In such proceedings, the National Bank of Slovakia shall proceed without undue delay so as to establish the facts of the case and the legal situation, and it shall draw upon the established facts when making the decision.

ARTICLE 14

(1) An employee of the National Bank of Slovakia or a member of the Bank Board shall be excluded from proceedings, as long as, regarding his relationship to the matter, a party to the proceedings or his proxy or his employee, his impartiality can be challenged.

(2) Also he who took part in proceedings of different instance in the same matter shall be excluded from proceedings in this matter under this Act; this shall not apply to Bank Board members in proceedings in the same matter following a Bank Board meeting under Article 31 or upon first instance proceedings of the Bank Board on the imposition of a disciplinary penalty.

(3) A party to proceedings who learns of any facts suggesting that an employee of the National Bank of Slovakia or a member of the Bank Board should be excluded from the proceedings, shall be obliged to notify forthwith the National Bank of Slovakia of these facts. In the notice on the ground of bias, designation must be given of an employee of the National Bank of Slovakia or a member of the Bank Board, against whom the objection on the ground of bias is directed, the reason for which this employee or a member of the Bank Board is to be excluded from the proceedings, when the party to the proceedings learnt of this reason and by what proof can this reason be supported; together a party to the proceedings shall be obliged to submit, with a notice of objection on the ground of bias, any proofs available thereto. Repeated notice of the same facts and reasons shall be disregarded, once a decision is made thereon.

(4) An employee of the National Bank of Slovakia, who learns of facts suggesting his exclusion from the proceedings, shall be obliged to notify forthwith his superior of these facts in writing, including the notification of reasons and presentation of proofs, on the basis of which he is to be excluded from the proceedings. A member of the Bank Board, the senior officer of the financial market supervision unit shall communicate these facts in writing to the Bank Board, including the notification of reasons and presentation of proofs, based on which he should be excluded from the proceedings.

(5) An employee of the National Bank of Slovakia or a member of the Bank Board, to whom the objection on the ground of bias for reasons mentioned in paragraphs 1 or 2 relates, shall until his exclusion from the proceedings only perform such acts, which do not permit any delay. The employee of the National Bank of Slovakia or member of the Bank Board against whom the objection on the ground of bias raised by a party to the proceeding relates shall without undue delay submit to the competent person to which the decision on the objection is conferred his statement in writing regarding the content of the objection.

(6) A decision on an objection on the ground of bias shall be made within ten working days of its filing. A decision on whether an employee of the National Bank of Slovakia is excluded from the proceedings shall be made by his superior; where the objection on the ground of bias concerns several employees, a decision on their exclusion from the proceedings shall be made by the superior they have in common. A decision on the exclusion of the senior officer of the financial market supervision unit or a member of the Bank Board shall be made by the Bank Board; a vote on the exclusion of a member of the Bank Board shall not be taken by the member of the Bank Board whom the voting concerns.

(7) Where a decision is made to exclude an employee of the National Bank of Slovakia or a member of the Bank Board from the proceedings, the competent executive officer or the Bank Board shall take measures to ensure due continuation and completion of the proceedings. In the event that a decision is made to exclude the senior officer of the financial market supervision unit and concurrently

his deputies, the Bank Board shall appoint a person to be responsible for due continuation and completion of the proceedings of first-instance, including the issue of a decision of first-instance.

(8) A decision shall be issued on the exclusion of an employee of the National Bank of Slovakia from the proceedings or on the rejection of objection on the ground of bias. A decision on exclusion from proceedings or on rejection of objection on the ground of bias may not be appealed against.

ARTICLE 15

(1) A party to proceedings shall be a supervised entity, the proceedings on whose rights or duties under this Act and under separate laws is to be conducted, or a person authorised to apply for an authorisation, license, approval, consent or prior consent in accordance with a separate law; in proceedings on the imposition of a fine, another sanction or remedial action under this Act or under separate laws, a party to the proceedings shall be a supervised entity or another person, on whom the fine, another sanction or remedial action is to be imposed.

(2) A legal entity shall be in proceedings represented by a statutory body or its employee or member who furnishes a written proxy from the statutory body proving his authorisation to act on behalf of this legal entity.

(3) A party to proceedings may let a proxy represent him in the proceedings. A party to proceedings may concurrently only have one proxy to represent him on the same matter, to whom he grants a proxy in writing or orally for record to cover the whole proceedings or just certain acts within the proceedings. A proxy to represent a legal entity must be granted by a person authorised to act on its behalf.

ARTICLE 16

(1) Proceedings shall commence on an application of a party to proceedings or on the initiative of the National Bank of Slovakia.

(2) Proceedings shall commence on the day of delivery of a written application by a party to the proceedings to the National Bank of Slovakia. Where the proceedings is commenced on initiative of the National Bank of Slovakia, it shall start on the day when the National Bank of Slovakia performs the first act vis-à-vis the parties to the proceedings, unless provided otherwise by this Act or a separate law; the National Bank of Slovakia shall forthwith inform of this first act all the parties to the proceedings it is aware of.

(3) An application must contain mainly the following particulars:

a) indication of a person filing the application (hereinafter referred to as “applicant”), in the scope of data specified by a separate law,[27)]
b) indication of what is requested thereby,
c) fair account of all decisive facts,
d) indication of any evidence cited by the applicant,
e) indication of other parties to the proceedings in the scope of data specified by a separate law,[27)] if known to the applicant, even without their consent,
f) indication of proxies of parties to the proceedings in the scope of data specified by a separate law,[27)] if any and if known to the applicant, even without their consent,
g) indication of other persons in the scope of data specified by a separate law,[27)] and even without the consent of other concerned parties, if these persons have to be listed, in accordance with a separate law, in an application for granting a requested authorisation, license, approval, consent or prior consent,
h) representation concerning the completeness, correctness, truthfulness, genuineness and timeliness of the application filed, including its annexes, with the applicant being liable for the veracity of such representation,
i) date and place of its making, officially certified signature of the applicant or of his statutory body,
j) annexes specified in paragraph 4 below,
k) further particulars specified in a separate law.

(4) Deeds must be attached to the application needed for a decision to be made by the National Bank of Slovakia in the proceedings, first of all an excerpt from a register or from other records where

the applicant is registered, and deeds credibly attesting to, and documenting, the fulfilment of prerequisites and conditions, which must be met in order to grant the applicant an authorisation, license, approval, consent or prior consent he has requested by an application in accordance with a separate law; where the applicant handed over all or some of these deeds to the National Bank of Slovakia already before the filing of the application and if the deeds so delivered are still up-to-date to the full extent, they still meet the statutory requirements and are deposited with the National Bank of Slovakia, the applicant may replace them in his application with a list of deeds already delivered, giving the particular dates of their delivery to the National Bank of Slovakia.

(5) The application, together with its enclosures, shall be submitted in the state language; any enclosure made in a language other than the state language shall be accompanied by its officially authenticated translation in the state language. If an application delivered does not contain all the prescribed requisites, the National Bank of Slovakia shall prompt an applicant to remove the shortcomings in the application or to complete it, and shall set a deadline therefore, usually no longer than 30 calendar days. Later removal of shortcomings or completion of the petitioner shall only be regarded where the applicant proves that without his fault he was objectively not able to remove the shortcomings of the application and complete it within the time limit set by the National Bank of Slovakia.

(6) As called forth by the National Bank of Slovakia, a party to the proceedings shall be obliged to take position, within the time limit set by the bank, on the reasons for proceedings initiated by the National Bank of Slovakia, unless provided otherwise under the law. The time limit for taking the position may not be shorter than five working days of delivering the call, unless provided otherwise by the law; this shall not apply to the issue of an interim measure or of a disciplinary measure, the imposition of receivership over a supervised entity under a separate law,[28)] a take-over bid under a separate law,[29)] or before the issue of a decision on bias or a decision in the proceedings, if the decision on such proceedings solely draws upon deeds submitted by the party to the proceedings.

ARTICLE 17

(1) Proceedings before the National Bank of Slovakia shall be closed to public.

(2) Where necessary for a decision to be made in the matter, the National Bank of Slovakia shall conduct an oral hearing, to which it shall summon the parties to proceedings and other persons, whose part is necessary. The National Bank of Slovakia shall have minutes taken on the hearing.

(3) It must be in particular clear from the minutes on hearing who, where and when conducted the hearing, its subject, which persons took part therein, the conduct itself of the hearing, what proposals were made during it, or what measures were adopted during it.

(4) The minutes of hearing shall be signed, on familiarisation with their content, by persons who attended the hearing and an employee of the National Bank of Slovakia, who conducted it. A refusal to sign and reasons pronounced therefore, as well as objections against the content of the minutes of hearing shall be recorded in the minutes.

(5) Provisions of paragraphs 2 to 4 shall be likewise applied to on-site inspection; the National Bank of Slovakia shall invite to such on-site inspection in particular the parties to proceedings and a person authorised to handle the subject of on-site inspection.

(6) An official record shall capture significant particulars of relevance to the proceedings in the matter and on which the minutes is not taken, for example the content of important telephone calls between parties to proceedings and the employees of the National Bank of Slovakia who institute the proceedings. The official record shall be signed by an employee of the National Bank of Slovakia who made it; other particulars and the content of the official record shall comply, where appropriate, with the provisions of paragraph 3.

(7) Parties to the proceedings and their proxies shall have the right to inspect dossier from proceedings, except for the minutes of voting by the Bank Board and to take notes thereon at their own expense; the dossiers may not be made available or provided to other persons, except for the cases set out Article 2(6) and Article 7(3). A party to the proceedings and his proxy shall have the right to have a copy of the minutes or of another deed from the dossier made by the National Bank of Slovakia at his request and in consideration for the payment of substantive costs.

(8) The National Bank of Slovakia shall be obliged to take appropriate measures so that through the inspection of dossiers classified materials, a trade secret, a banking secret, a tax secret and other information maintained in secrecy or protected by the secrecy obligation expressly imposed or recognised under separate laws[23)] were not disclosed in an unauthorised way, whilst equally applying the provision of Article 3(6).

ARTICLE 18

(1) During the proceedings, the National Bank of Slovakia shall deliver written materials on its own or through a postal undertaking, unless provided otherwise by this Act or a separate law[1)]. A written material may be delivered to the addressee to his registered office, place of business, apartment, work-site or whenever the addressee can be reached. Decisions of the National Bank of Slovakia in the matter, written materials designated as such by a separate law,[1)] and other important written materials determined by the National Bank of Slovakia must be delivered to the addressee's attention only.

(2) Written materials addressed to a legal entity shall be delivered to employees authorised to receive the written materials on behalf of the legal entity or to the one who is authorised to act on behalf of the legal entity; where there are no such persons, a written material shall be delivered to any of its employees, who will receive the written material. If, in cases where written materials are delivered by the National Bank of Slovakia itself, the written materials cannot be delivered, a written material for this legal entity shall be deposited with the National Bank of Slovakia with effects of delivery starting to lapse from the day of such deposition; of which delivering and depositing an official record shall be made. The provisions of this paragraph shall likewise apply to delivery of written materials to a natural person who does business, where the written material is to be delivered to the address of his place of business.

(3) If the addressee to whose attention a written material is to be delivered is not reached, even though he/she is staying in the place of delivery, the postman shall in an appropriate way advise him of a substitute delivery of the written material. Even this does not result in effective delivery, the postman shall deposit the written material with the post office of delivery and shall prompt the addressee in an appropriate way to pick up the written material during the time limit for delivery. If the addressee does not pick up the written material within three working days of the deposition, the last day of this time limit shall be considered as the delivery date, even if the addressee does not learn of the deposition.

(4) If the addressee refuses to take over a written material,[30)] it shall be treated as delivered on the day when its receipt was refused; of which a postman must advise the addressee. Considered to be a refusal to accept a written material shall be a refusal to take over the written material, insistence that the written material to be delivered is opened before it is received or refusal to confirm the receipt of the written material delivered.

(5) If a written material cannot be delivered to the mail address of the addressee which he has communicated in writing to the National Bank of Slovakia in proceedings, this written material shall be considered as delivered three days after the undelivered written material is returned to the National Bank of Slovakia, even if the addressee is not aware of it.

(6) If no address has been communicated to the National Bank of Slovakia in accordance with paragraph 5 and a written material addressed to a legal entity cannot be delivered to the address of its registered office stated in a roster kept by the National Bank of Slovakia under the law, or in the Companies' Register or another publicly accessible official register, in which it is entered,[31)] the written material shall be considered as delivered three days after the undelivered written material is returned to the National Bank of Slovakia, even if the addressee is not aware of it.

(7) If no address has been communicated to the National Bank of Slovakia in accordance with paragraph 5 and a written material addressed to a natural person who pursue business cannot be delivered to the address of his place of business listed in the roster kept by the National Bank of Slovakia under the law, or in the Companies' Register, tradesmen register or another publicly accessible official register, in which it is entered,[32)] the written material shall be considered as

delivered three days after the undelivered written material is returned to the National Bank of Slovakia, even if the addressee is not aware of it.

(8) If an addressee reserves that items be delivered to his post office box, the post office of delivery shall advice the addressee of the arrival of the written material sent, the take-over method and the time limit for its take-over using a prescribed print form, which it inserts into the post office box. If on the basis of an agreement the addressee takes over postal items at the post office of delivery and he has not post office box assigned thereto, the post office of delivery shall not make a notice of the written material arrived. In both of these cases, the date of delivering a written material sent to a post office of delivery shall be considered as the date of depositing the written material sent. If the addressee does not pick up the written material sent within three working days of its deposition, the last day of this time limit shall be considered as its delivery date, even if the addressee is not aware of it.

(9) Paragraphs 5 to 8 shall not be applied to delivery of a decision on the imposition of receivership over a supervised entity pursuant to a separate law.[28)]

(10) A party to the proceedings with his registered office or permanent address abroad shall be obliged to appoint his representative for delivery of written materials within the territory of the Slovak Republic and communicate to the National Bank of Slovakia in writing his first name, surname and address for deliveries. If the proceedings are initiated at request of such a party to the proceedings, the party to the proceedings shall be obliged to appoint in his application a representative for delivering of written materials; otherwise he shall be obliged to appoint such a representative in his first written motion filed with the National Bank of Slovakia. If such a party to the proceedings does not appoint a representative for delivering written materials, the written materials for him shall be deposited in the National Bank of Slovakia, having the same effects as the delivery itself.

(11) If a party to the proceedings has such a representative for the whole proceedings or a representative for delivering the written materials, a written material addressed to his attention only shall only be delivered to this representative; in addition to this process agent, the written material shall also be delivered to a party to the proceedings, provided that this party is to act in person during the proceedings. The provisions of paragraphs 1 to 8 shall also apply to the delivery of written materials to the agent.

(12) Written materials intended for a counsellor-at-law may also be delivered to his law clerks or another his employee, whom he entrusted with the receipt of postal items; this shall likewise apply to the delivery of written materials intended for a notary public or a court executor.

(13) The National Bank of Slovakia shall deliver a written material via a public notice, if so provided by a separate law or if parties to the proceedings or their domicile or registered office are not known to the National Bank of Slovakia. Delivery via a public notice shall be effected by posting it for the period of 15 days on a publicly accessible official board or publishing it on the web site of the National Bank of Slovakia. The last day of this time period shall constitute the delivery date.

(14) A party to the proceedings or his proxy shall be obliged to notify the National Bank of Slovakia forthwith of any change in their address for delivering written materials or any other relevant particular necessary for due delivery of written materials.

ARTICLE 19

(1) If need be, the National Bank of Slovakia shall fix a time limit for performing an act, unless it is provided by the law. The time limit fixed by the National Bank of Slovakia may be extended thereby; nevertheless, it is not possible to extend the time limit fixed by the National Bank of Slovakia for the payment of a fee due from an act or proceedings of the National Bank of Slovakia, which are carried out upon an application.

(2) The time limit shall not included a day on which the event determining the start of the time period occurred. Time limits determined by weeks, months or years shall end on the lapse of the day which is designated identically with the day on which the event determining the start of the time period occurred, and if there is no such day in the particular month, the time limit shall expire on the lapse of the last day of the given month. If the end of a time period coincides with Saturday, Sunday or another day off,[33)] the next working day shall constitute the last day of the time period.

(3) Unless provided otherwise by this Act or a separate law,[1)] the time limit shall be observed, if a filing is delivered to the National Bank of Slovakia or posted no later than on the last day of the time period. In the case of doubt the time limit shall be assumed to be observed, unless the contrary is proven to the case.

ARTICLE 20

(1) If expedient in terms of economy, smoothness or effectiveness of proceedings, the National Bank of Slovakia may join together several proceedings conducted thereby, if their facts of the case are interrelated or if they concern the same parties to the proceedings; proceedings shall be joined together, if so provided by a separate law.

(2) The National Bank of Slovakia may split one proceedings conducted thereby in several matters into separate proceedings, if the grounds on which these matters were joined together to be covered in one proceedings no longer hold true, if on the basis of an application proceedings was initiated in matters the joining of which is not appropriate regarding their nature, or if the splitting of the proceedings may speed up the process or prevent procrastination in proceedings on some of the matters.

(3) A remedy may not be field against a decision to join together or split proceedings.

ARTICLE 21

(1) The National Bank of Slovakia may discontinue proceedings, if:

a) a party to the proceedings was asked to remove shortcomings or supplement its application or a party to the proceedings was asked to pay a charge for an act or proceedings liable to charges or to submit the respective proof of payment,
b) the National Bank of Slovakia motioned a competent authority to initiate proceedings on a preliminary issue, a proceeding is in progress on the issue which may be of importance for a decision by the National Bank of Slovakia, or a motion was made to initiate such proceedings,
c) the National Bank of Slovakia charged an appointed court expert with the elaboration of an expert opinion on the matter,
d) the National Bank of Slovakia requested from another public agency or another person an expert opinion or a supply of supporting documentation concerning the matter,
e) the Ministry was prompted to take position on the matter,[34)]
f) the party to the proceedings has proposed in writing to adjourn the proceedings which was initiated on an application by this party; in such a case the National Bank of Slovakia may also discontinue proceedings usually for a period not longer than 30 calendar days.

(2) Where the Ministry was invited to submit its position on the matter,[34)] the Ministry shall submit its written position to the National Bank of Slovakia within 30 calendar days, and in the case of especially complex issues within 60 calendar days, of the day on which the call for taking the position was delivered thereto from the National Bank of Slovakia.

(3) A remedy may not be filed against a decision to discontinue the proceedings.

(4) If the grounds on which the proceedings are discontinued cease to hold true, the National Bank of Slovakia shall forthwith resume the proceedings.

(5) If a proceeding is discontinued, procedural time limits for proceedings and decision taking in accordance with this Act and separate laws[35)] shall not lapse.

ARTICLE 22

(1) The National Bank of Slovakia shall halt the proceedings, if
a) within a deadline set by the National Bank of Slovakia, a party to the proceedings has not removed the shortcomings of an application or has not supplemented an application on the basis of which the proceedings was initiated,
b) before the issue of a decision in the matter, a party to the proceedings revoked to the full extent an application, on the basis of which the proceedings was initiated, if several parties to the

proceedings filed a joint application, this application may only be revoked subject to consent of all parties to the proceedings, who filed it,

c) during the proceedings initiated on the basis of an application, a person who filed the application is proven not to be a party to the proceedings,

d) the grounds on which the proceedings commenced on initiative from the National Bank of Slovakia no longer hold true, or if in the course of the proceedings it is found that the grounds have not been given to start proceedings or that the grounds have ceased to continue in the proceedings,

e) a final decision has already been made on an application relating to the very same matter and the facts of the case has not essentially changed,

f) a natural person, who is a party to the proceedings, has ceased or has been declared dead and there is no other party to this proceedings,

g) a legal entity, who is a party to the proceedings, has been terminated without a legal successor and there is no other party to this proceedings,

h) even a portion of a fee under this Act required in return for an act or proceedings conducted by the National Bank of Slovakia on the basis of an application under this Act and a separate law has not been paid,

i) the National Bank of Slovakia finds out that other statutory conditions laid on proceedings before the National Bank of Slovakia have not been met and it is not possible to meet them either.

(2) A remedy may not be filed against a decision to halt the proceedings in accordance with paragraph 1 subparagraphs f) to h); in cases as per paragraph 1 subparagraphs f) and g), the halting of proceedings shall only be noted in the dossier on the proceedings.

ARTICLE 23

(1) The cost of proceedings incurred by the National Bank of Slovakia shall be born by the National Bank of Slovakia. The cost of proceedings incurred by a party to the proceedings shall be born by the party to the proceedings, also when it comes to the cost of its proxy and the cost of another person who performed an act in the proceedings initiated upon a petition by this party. The cost incurred during the proceedings by a person other than the party to the proceedings shall be born by this person, unless provided otherwise hereunder.

(2) A witness who made a statement during the proceedings shall be entitled to compensation of eligible and incurred cash expense and demonstrably lost income. A person who is not a party to the proceedings or a proxy thereof and who during the proceedings produced a deed as evidence, shall be entitled to compensation of eligible and incurred cash

expenses. A claim for such compensation must be made within three working days of the day of the interrogation of the witness or following the day on which the deed is produced, otherwise the entitlement to such compensation shall cease.

(3) The award of remuneration and compensation for the cost to a court expert, interpreter or translator shall abide, where appropriate, by the provisions of separate regulations.[36)]

(4) The National Bank of Slovakia may rule that a party to the proceedings covers the cost of proceedings incurred by his fault by other parties of the proceedings or by the National Bank of Slovakia.

ARTICLE 24

(1) Any means for establishing and clarifying the facts of the case and the legal situation that were not obtained in contradiction with generally binding regulations may be used for substantiation.

(2) Evidence shall in particular include opinion expressed by a party to the proceedings, interrogations of a party to the proceedings, interrogations of a witness, expert opinions, official records, expert reports, deeds, and on-site inspections.

(3) To support and prove his statements, a party to the proceedings shall be obliged to present forthwith any documentary evidence available to him, and suggest other evidence he is aware of; evidence not presented during the proceedings of first instance concerning his application and presented in the proceedings of the second instance shall only be considered, if the party to the proceedings proves that it was not his fault that he objectively could not have used the evidence until the issue of a decision of the first instance. The National Bank of Slovakia shall be authorised to also apply such evidence that has not been applied or suggested by parties to the proceedings, provided that it is relevant in terms of the proceedings and a decision to be made in the matter.

(4) It shall not be necessary to give any proof of facts that are generally known or known to the National Bank of Slovakia from its ordinary business.

(5) The National Bank of Slovakia may summon persons whose personal presence is necessary in the proceedings, and ask them to report any particulars or present any evidence that are relevant in terms of the proceedings and a decision to be made on the matter. Upon request from the National Bank of Slovakia and within the time limit set thereby, each person shall be obliged to submit a written opinion or to report in writing any particulars that are relevant for the proceedings and a decision to be made on the matter.

(6) Substantiation must be done so as to prevent unauthorised disclosure of classified materials, a trade secret, a banking secret and a tax secret and so as to maintain the secrecy obligation expressly imposed or recognised under separate laws.[23)] In such cases an interrogation may only be conducted if the interrogated person has been released of the obligation to maintain such secrecy or confidentiality by a competent authority or he in whose interest such obligation exists. This shall apply, where appropriate, also to presentation of evidence in a way other than through an interrogation.

(7) Each natural person shall be obliged to appear to the National Bank of Slovakia when summoned and to give testimony as a witness about what he knows of circumstances important for the proceedings in the matters entrusted to the National Bank of Slovakia; he must give the testimony truly, not concealing anything. Testimony may be denied by a witness who by giving it would expose either himself or a person close to him to the risk of criminal prosecution.[37)] Prior to the commencement of an interrogation the identity of a witness must be established and he must be instructed about his rights and duties, as well as about the legal consequences of incomplete testimony, false testimony or unjustified denial of testimony hereunder.

(8) Where expertise is required to clarify and review a fact relevant for a decision to be made during the proceedings, the National Bank of Slovakia may appoint a court expert under a separate law[38)] and charge him with the elaboration of a written expert report, or to conduct his interrogation.

(9) The National Bank of Slovakia may impose on a person, who holds a deed necessary for the execution of evidence, to submit this deed. One may only refuse to submit such deeds on the same grounds as those entitling a witness to refuse to testify.

(10) If in the course of proceedings a preliminary issue arises which is relevant for establishing the facts of the case and for a decision to be made by the National Bank of Slovakia, whereas a final

decision has already been made on the same issue by another competent authority, such a decision shall be binding on the National Bank of Slovakia. Otherwise the National Bank of Slovakia may judge a preliminary issue on its own or file a motion to commence proceedings on the preliminary issue with the competent authority. Nevertheless the National Bank of Slovakia may not make its own judgement on the commitment of a crime, the commitment of a misdemeanour or another violation and the offender involved therein, or on the personal condition of a natural person or on the existence of a legal person, if decisions on such matters fall within the jurisdiction of courts or another relevant public agency.

(11) In decision-making, the National Bank of Slovakia shall evaluate the evidence at its own discretion, each piece of evidence individually and all the pieces of evidence as they relate to each other; duly taking into regard anything that transpires during the proceedings. The National Bank of Slovakia shall take due care to prevent any ungrounded differences in taking decision on facts of the case and the legal situation of similar matters. A decision shall be ruled by the facts of the case and the legal situation as of the date of its issue, unless provided otherwise hereunder.

ARTICLE 25

(1) In the course of proceedings, the National Bank of Slovakia may issue an interim measure whereby it shall, on the scope as necessary to accomplish the purpose of the proceedings,

a) charge a party to the proceedings with something to act on, something to refrain from or something to tolerate,

b) rule security measures to safeguard objects necessary for the execution of evidence.

(2) Where an interim measure is issued on initiative from the National Bank of Slovakia, then its delivery to a party to the proceedings shall be deemed to be the first act performed as part of the proceedings and through its delivery, the proceedings in the matter on which this interim measure has been issued shall commence; through such a delivery information obligation of the National Bank of Slovakia pursuant to Article 16(2) shall also be discharged vis-à-vis the respective party to the proceedings.

(3) The National Bank of Slovakia shall repeal an interim measure as soon as the reasons for which it was issued lapse; otherwise an interim measure shall expire through the lapse of the respective period, provided that it was issued for a determinate period of time, or on the validity date of a decision on the particular matter.

(4) An appeal against a decision with regard to an interim measure shall not have a dilatory effect.

ARTICLE 26

Unless provided otherwise by this Act or a separate law,[1)] before issuing a decision in the matter, the National Bank of Slovakia shall be obliged to prompt parties to the proceedings to get acquainted with the dossiers relating to the proceedings and to take a written position thereon within a time limit set by the National Bank of Slovakia; unless provided otherwise by this Act or a separate law,[1)] this time period may not be less than five working days of the day of delivering the call. This shall not apply to the issue of an interim measure or of a disciplinary measure, the imposition of receivership over a supervised entity under a separate law,[28)] a take-over bid under a separate law,[29)] or before the issue of a decision on bias or a decision in the proceedings initiated upon an application by a party to the proceedings, if the decision on such proceedings solely draws upon deeds submitted by the party to the proceedings. When a party to the proceedings familiarises himself with the supporting dossier on the proceedings, the National Bank of Slovakia shall have it put on record.

ARTICLE 27

(1) A decision of the National Bank of Slovakia must contain a pronouncement, justification and an instruction concerning the appeal.

(2) A pronouncement shall comprise a decision in the matter with reference to the provision of a generally binding regulation under which the decision was made or also a decision concerning an obligation to cover the cost of proceedings. If a decision on the matter is tied to the fulfilment of

conditions, also these conditions shall be stated in the pronouncement of the decision; a proof of the fulfilment of these conditions shall be furnished to the National Bank of Slovakia within a deadline set thereby. If no proof of the fulfilment of these conditions is given within the set deadline, the National Bank of Slovakia shall repeal the decision, unless provided otherwise by a separate law. The pronouncement of the decision shall not impose the obligations already directly imposed by the law.

(3) The justification shall state which findings became a basis for a decision, which evidence and assumptions applied in evaluating the evidence the decision draws upon and according to which provisions of generally binding regulations the established facts of the case were judged. The justification shall not be needed in cases where all parties to the proceedings are satisfied to the full extent.

(4) An instruction concerning the appeal shall state whether a decision is final or whether an appeal can be filed against it, and within what time limit and with whom the appeal can be filed.

(5) A written version of a decision of the National Bank of Slovakia shall state who issued the decision, the issue date, identification data of a party to the proceedings and his proxy, if any, namely for a legal entity its business name or another name, the address of its registered office and its identification number, if any, and for a natural person his first name, surname, birth registration number or birth date and the address of permanent residence or the address of the place of business, if different from the former. A decision must have attached to it a round official seal of the National Bank of Slovakia comprising the state emblem along with a signature giving the first name, surname and capacity of an authorised person. In the statement of the first-instance decision of the National Bank of Slovakia issued by the financial market supervision unit shall be expressly stated that the decision was issued by the financial market supervision unit; in the statement of the second-instance decision shall be expressly stated that the decision was issued by the Bank Board. In proceedings of the second instance, the person authorised to sign decisions shall be the governor or a vice-governor entrusted [39)] by the governor, or another member of the Bank Board who did not sign a first-instance decision in the same matter. Particulars about the persons authorised to sign decisions in the first and second instance may be stipulated by the Bank Board.

(6) At any time, even without a motion, the National Bank of Slovakia shall correct writing and counting errors as well as other apparent irregularities in the written version of a decision and shall communicate this forthwith to the parties to the proceedings.

(7) The pronouncement of a final decision on the withdrawal of an authorisation granted to a supervised entity under a separate law, [1)] a notice of termination of an authorisation granted to a supervised entity under a separate law, [1)] the pronouncement of an enforceable decision on the placement of a supervised entity under receivership pursuant to a separate law [1)] and the pronouncement of an enforceable decision on the restriction or suspension of activities or a certain activity carried out by a supervised entity under a separate law [1)] shall be published by the National Bank of Slovakia in the Official Journal of the National Bank of Slovakia [40)] (hereinafter referred to as "the Journal") or via the web-site of the National Bank of Slovakia, or in periodical press or other mass media. The National Bank of Slovakia may also publish the pronouncement of another enforceable decision or the justification of a decision, or of its part, should it deem to be expedient in terms of information available to the supervised entity's clients, the enforce ability of a decision or in terms of the effectiveness of supervision of a supervised entity.

ARTICLE 28

(1) A party to proceedings shall be notified of a decision through the delivery of a written copy of the decision. The date of delivering the decision shall be the date of its notification.

(2) A delivered decision against which no appeal can be filed shall be final.

(3) A delivered decision shall be enforceable, if no appeal can be filed against it or if the appeal does not have a dilatory effect. If the decision obliges a party to deliver performance, the decision is enforceable immediately after the expiration of the performance period.

(4) The pronouncement of an enforceable decision shall be binding on parties to the proceedings and public agencies.

ARTICLE 29

(1) Proceedings and decision-making by the National Bank of Slovakia in the first instance shall fall within the competence of the financial market supervision unit, unless provided otherwise by this Act or a separate law.[20)]

(2) The financial market supervision unit shall decide on an application for granting or altering an authorisation or licence for a supervised entity under a separate law within six months of delivering a complete application and it shall decide on an application for granting of an approval, consent or prior consent, or another application in accordance with a separate law within three months of delivering a complete application, unless a different time limit for the decision is provided by a separate law;[35)] but it shall decide no later than within 12 months of delivering the application.

(3) If the National Bank of Slovakia reveals a minute violation of a duty prescribed by this Act or a separate law, before commencing proceedings on the imposition of a remedial action or sanction under a separate law, it shall consider whether to initiate the proceedings at all or whether to adjourn the matter, if regarding the minute nature of such violation the proceedings would be inexpedient. In so doing, the National Bank of Slovakia shall primarily draw upon the nature, severity, duration and consequence of the unlawful conduct. If the National Bank of Slovakia does not commence any proceedings, it shall have a record made on the adjournment of the matter; a decision on the adjournment shall not be issued.

(4) A party to the proceedings shall have the right to file an appeal against a decision of the first instance, unless provided otherwise by this Act or a separate law or a party to the proceedings shall waive from the appeal in writing or orally for record after the decision is issued; the withdrawal of an appeal shall also be considered as waiver thereof. The waiver of appeal may not be recalled. The appeal filed shall not have a dilatory effect, unless provided otherwise by this Act or a separate law. Appeal filed against a decision of the first instance on the imposition of a fine under this Act or under a separate law and appeal filed against a decision of the first instance on the withdrawal of an authorisation or a license granted to a supervised entity under a separate lawshall always have a dilatory effect.

(5) Appeal against a decision of the first instance shall be filed with the financial market supervision unit, which issued the decision. Appeal against a decision of the first instance may be filed within 15 calendar days of the day of delivering this decision.

ARTICLE 30

(1) The financial market supervision unit may decide to file an appeal on its own, if it fully allows the appeal, and in so doing it may supplement, if need be, the substantiation.

(2) If the financial market supervision unit does not decide to file an appeal in accordance with paragraph 1, it shall submit it, together with the results of the proceedings conducted so far, dossiers and its own position on the appeal, to the Bank Board within 30 days of the day of delivering the appeal to the unit.

ARTICLE 31

If, contrary to law, the financial market supervision unit fails to commence proceedings or to continue in proceedings, if the financial market supervision unit fails to decide within the time limit for decision-making set in this Act or a separate law,[1)] if there are other serious deficiencies in the proceedings or the process of decision making by the financial market supervision unit or where it is necessary for the solution of a critical situation threatening the stability of the financial system, whilst the matter cannot be redressed in another way, the Bank Board itself shall, if need be, institute proceedings and decide in the first instance in the matter or shall appoint another professionally competent unit of the National Bank of Slovakia to conduct such proceedings and to decide in the first instance. Such proceedings and decisions shall also be governed by the relevant provisions of this Act pertaining to proceedings and decision-taking by the financial market supervision unit, while substantiation and other acts in these proceedings shall be ensured either by the Bank Board itself or by an organisational unit of the National Bank of Slovakia appointed by the Bank Board.

ARTICLE 32

(1) Appeal against a decision of the first instance shall be decided on by the Bank Board. The Bank Board may supplement evidence, provided that this can be done in the appeal proceedings without causing a risk of procrastination in the proceedings and if it is necessary for a decision to be made on the matter, whilst executing the evidence and performing other acts in the proceedings either by itself or through a designated organisational unit of the National Bank of Slovakia; acts as per Article 26 shall not be performed, if the evidence in the proceedings on appeal has not been supplemented.

(2) If a decision of the first instance is issued in contradiction with this Act or another generally binding regulation or on the basis of unsatisfactorily established facts of the case or if a decision of the first instance is wrongly issued despite properly established facts of the case, the Bank Board shall amend or repeal this decision of the first instance, other than that it shall reject the appeal and confirm the decision of the first instance. The Bank Board may repeal a decision of the first instance also in the case when appeal filed requires the substantiation to be more extensively replenished, which cannot be done in the appeal proceedings without causing a risk of procrastination in the proceedings. The Bank Board shall dismiss the appeal filed with delay or filed by a person not authorised to such filing or if the appeal is directed against a decision where appeal is inadmissible.

(3) If the Bank Board repeals a decision of the first instance, it shall halt the proceedings if there are grounds therefore, or shall refer the matter back to be addressed by still other proceedings of the first instance and decided on once again, in which case the financial market supervision unit shall be bound by a decision and legal opinion of the Bank Board.

(4) No further appeal may be filed against a decision by the Bank Board on appeal.

(5) A final decision may be reviewed by the Bank Board on its own or somebody else's initiative. The Bank Board shall amend or repeal a decision so reviewed, if issued in contradiction with the Act or another generally binding regulation and three years have not lapsed since its validity date. A decision shall be ruled by the facts of the case and legal situation at the time of issuing a decision subject to review. No further appeal may be filed against a decision of the Bank Board.

(6) The Bank Board shall decide on the prosecutor's protest[41)] against a decision of the National Bank of Slovakia.

ARTICLE 33

Compliance with law of final decisions of the National Bank of Slovakia issued under this Act may be reviewed by courts under a separate law;[42)] the examination of such decisions is within the competence of the Supreme Court of the Slovak Republic.

ARTICLE 34

If a party to proceedings does not voluntarily discharge, within the set deadline, an obligation imposed thereon by an enforceable decision of the National Bank of Slovakia, the National Bank of Slovakia shall be obliged to ensure that the decision be executed; to this end, the National Bank of Slovakia shall be entitled to also file a petition on court execution of a decision or a petition on execution to be performed by a court executor. A fine imposed with finality, the proceeds from which constitute revenue to the state budget, shall be enforced by the financial control administration competent in terms of the registered office of a legal entity concerned, and in the case of a natural person, competent in terms of its place of business or permanent residence, if different from the former; to this end, the National Bank of Slovakia shall send a final decision on the imposition of a fine to the competent financial control administration.

PART FOUR
PROCEDURE FOR OFF-SITE SUPERVISION

ARTICLE 35

(1) For the purposes of off-site supervision and for statistical purposes with regard to the financial market supervision, supervised entities shall be obliged, free of charge and in a timely fashion, to draw up and present to the National Bank of Slovakia comprehensible and easy-to-follow statements, returns, reports and other information, supporting documentation and documents with particulars concerning the supervised entities and their shareholders or other partners, mainly their

economic and financial situation, assets, transactions and other activities, as well as the organisation, management, structure, inspection, or control of supervised entities, including stakes in supervised entities and their owners, namely upon request from the National Bank of Slovakia and also pursuant to a generally binding regulation issued according to paragraph 2. The data stated in the presented statements, returns, reports and other information, supporting documentation and documents must be complete, up-to-date, accurate, true and supportable. If the presented statements, returns, 28 reports and other information and documents do not contain the data required, do not comply with the determined methodology or in cases of reasonable doubt concerning their completeness, updating, accuracy, truthfulness, supportability or authenticity, supervised entities shall be obliged to submit, upon request from the National Bank of Slovakia, supporting documentation and give explanation within the deadline set by the National Bank of Slovakia. Supervised entities shall likewise be obliged to also submit to the National Bank of Slovakia financial statements and consolidated financial statements.

(2) Decrees to be issued by the National Bank of Slovakia and promulgated in the Collection of Laws of the Slovak Republic shall lay down the structure of statements, returns, reports and other information, which supervised entities are obliged to draw up and submit to the National Bank of Slovakia, as well as the scope, content, itemisation, deadlines, form, method, procedure and place for submitting such statements, returns, reports and other information, including the methodology for their elaboration, as well as the method and deadlines for submitting of their financial statements and consolidated financial statements by supervised entities to the National Bank of Slovakia.

PART FIVE
OTHER ACTIVITIES AND AUTHORISATIONS FOR PERFORMANCE OF SUPERVISION
ARTICLE 36

(1) As part of its supervision of the financial market, the National Bank of Slovakia shall keep up-to-date records on

a) supervised entities with an authorisation granted under separate laws,[1)]
b) receivers and deputy receivers in charge of supervised entities placed under forced administration pursuant to separate laws,[28)]
c) mortgage controllers and deputy mortgage controllers for mortgage banks,[43)]
d) other persons, if so provided by a separate law.

(2) The lists in accordance with paragraph 1 shall contain the indication of these persons on the scope not exceeding the scope stipulated by a separate law;[27)] the lists of supervised entities shall also contain the scope of authorised activities by individual entities according to the granted authorisation or license and also the conditions for performing the authorised activities and the restriction of the scope of authorised activities or the manner in which they are performed, as determined by the granted authorisation or license.

(3) During its official hours, the National Bank of Slovakia shall be obliged to make it possible for anyone who so requests to inspect, free of charge, the lists as per paragraph 1 and to take notes thereon.

ARTICLE 37

(1) Through its web site or Journal, the National Bank of Slovakia shall make publicly available

a) semi-annual and annual reports on the status and development of the financial market; in addition to aggregate data, such reports may also contain information stated in the lists pursuant to Article 36 and information referred to in paragraph 3,
b) lists kept by the National Bank of Slovakia in accordance with Article 36, at least on a quarterly basis,
c) a list of regulated markets compiled by Member States and published by the European Commission along with its updates,[44)]
d) the pronouncement of an enforceable decision or also the justification of a decision taken by the National Bank of Slovakia or their parts, if intended for disclosure under this Act or a separate law,

e) decisions of the Bank Board fixing annual contributions to be made by supervised entities for the calendar year in question,
f) other relevant notices of the National Bank of Slovakia.

(2) Through its web site or Journal, the National Bank of Slovakia shall also give notice of the place, in which the following shall be publicly available for inspection
a) approved listing prospectuses on securities, approved prospectuses on securities, approved investment prospectuses, approved take-over bids,[45)]
b) information on the results of operations of securities dealers, the stock exchange and the central securities depository,[45)]
c) information on the results of operations of issuers of securities accepted for trading in the market for listed securities under a separate law,[45)]
d) reports on the results of operations of issuers of securities issued on the basis of a public offering,[45)]
e) reports on the results of operations of asset management companies with equity capital and with assets in mutual funds,[46)]
f) general insurance conditions and special insurance conditions of insurance companies,[47)]
g) information on the results of operations of insurance companies,[47)]
h) other information prescribed by a separate law.

(3) The National Bank of Slovakia may also disclose
a) information from the financial statements and consolidated financial statements of supervised entities, other information about the economic and financial indicators and results of operations of supervised entities, and information about the structure and partners of supervised entities,
b) information about sanctions imposed and remedial measures taken,
c) information on supervised entities published by the supervised entities themselves,
d) methodological guidelines, positions and recommendations relating to supervision of the financial market and explaining the application of this Act, separate laws and other generally binding regulations pertaining to supervised entities or their activities.
e) other important notifications by the National Bank of Slovakia relating to supervised entities or their activities, if they are determined for publishing.

ARTICLE 38

Disciplinary measures

(1) The National Bank of Slovakia may levy a disciplinary penalty upon he, who without any serious reason obstructs

a) performance of on-site supervision or off-site supervision notably by not providing the National Bank of Slovakia or supervising officers with requested documents or information relating to supervised entities, or another concurrence required in order to perform on-site supervision or off-site supervision,
b) proceedings before the National Bank of Slovakia notably by not appearing, without any serious reason, when summoned by the National Bank of Slovakia, unreasonably refusing to give testimony as a witness, giving incomplete or false testimony, not submitting a written position, not producing a deed, not allowing an inspection to be made or not performing any other act in the proceedings as requested in the summons or call of the National Bank of Slovakia.

(2) In making a decision concerning the level of such disciplinary penalty, the National Bank of Slovakia shall take into account the severity and duration of unlawful conduct, the extent of its consequences, eventual repeated violation of obligation or concurrent violation of several obligations. Natural persons may be repeatedly levied a disciplinary penalty of up to EUR 5,000, and legal entities may be repeatedly levied a disciplinary penalty of up to EUR 50,000.

(3) Provisions of Articles 12 to 34 shall apply accordingly to proceedings on the imposition of a disciplinary penalty. Proceedings on the imposition of a disciplinary penalty may be started upon delivery of a decision on the imposition of a disciplinary penalty, whereas delivery of such decision to the sanctioned person shall be deemed to be the first action in proceedings against such person, and by

such delivery, the obligation of the National Bank of Slovakia to provide information pursuant to Article 16 par. 2 against the relevant person shall be fulfilled. Proceedings on the imposition of a disciplinary penalty may be started no later than within six months of the day on which the National Bank of Slovakia detected the breach of obligations, but no later than within three years of the day of the breach of an obligation for which the disciplinary penalty is levied.

(4) A disciplinary penalty shall fall due within 30 calendar days of the finality date of a decision on its imposition.

(5) Proceeds from disciplinary penalties shall constitute the revenue to the National Bank of Slovakia.

(6) By imposing a disciplinary fine, the liability according to special regulations is not affected. If the imposed disciplinary fine has not led to an immediate correction and the person fined by disciplinary fine still or repeatedly grossly violates the procedures in the proceedings, the execution of supervision at the place or execution of supervision at a distance, the imposed disciplinary fine is not an obstacle for imposing a measure for correction, fine or another sanction to this person according to a special law.[25)]

PART SIX
CONTRIBUTIONS AND FEES RELATING TO SUPERVISION
ARTICLE 39

The revenue from operations of the National Bank of Slovakia under a separate law[48)] shall also include statutory

a) annual contributions of supervised entities (hereinafter "annual contributions"),

b) fees charged on acts performed or proceedings conducted by the National Bank of Slovakia during supervision of the supervised entities (hereinafter "fees").

ARTICLE 40
Annual Contributions

(1) Annual contributions to the National Bank of Slovakia must be made by a supervised entity, to whom an authorisation for activities has been issued under a separate law[1)] (hereinafter referred to as "contributor").

(2) An annual contribution for the respective calendar year shall be determined in advance by the Bank Board for the whole year, no later than by 20 December of the previous year, for all contributors and under the same conditions, in line with the annual rates of such contributions stipulated in paragraphs 3 and 4. The National Bank of Slovakia may determine, in respect of all contributors and under the same conditions, that the annual contribution shall be proportionally reduced or shall not be paid at all; the same applies to exemption form debt from the unpaid annual contribution or a part thereof. Where the rates of annual contributions are derived from the contributors' assets, the calculation of an annual contribution shall be ruled by the volume of assets of a contributor stated in his financial statements compiled in accordance with the accounting standards[49)] as of 31 December of the previous calendar year and reviewed by an auditor in accordance with a separate law[49)] (hereinafter referred to as "volume of assets"), unless provided otherwise by the law; each contributor shall be obliged to report the volume of such assets in writing to the National Bank of Slovakia without undue delay following the end of the calendar year, unless provided otherwise in this Act.

(3) The rates of annual contributions of supervised entities who are legal entities or branch offices of foreign legal entities may be determined separately for individual types of supervised entities pursuant to separate laws,[1)] namely at the rate set for the annual contributions and based on the assets of a supervised entity, within the range from 0.001‰ to 0.1‰ of the volume of assets of the supervised entity, unless provided otherwise by the law; for the purposes of annual contributions, the amount of the assets of a supervised entity managing assets invested under pension saving or collective investment shall also include assets managed by the supervised entity; the total amount of the annual contribution may not, however, be less than SKK 30 000 and for the volume of assets not

exceeding SKK 50,000,000, it may not be more than SKK 250,000, for the volume of assets ranging from SKK 50,000,001 to 200,000,000, it may be no more than SKK 850,000 and for the volume of assets greater than SKK 200,000,000, it may be no more than SKK 3,000,000, unless provided otherwise hereunder. The annual contribution for independent financial agents and financial advisers who are a legal entity it may amount to no less than SKK 1,000 and to no more than SKK 30,000, for organisational branches of foreign asset management companies, branches of foreign investment companies, branches of foreign asset management companies, or for foreign asset management companies and foreign investment companies operating within the territory of the Slovak Republic without having established a local branch, it may amount to no less than SKK 10,000 and to no more than 250,000, for stock exchanges it may amount to no more than SKK 200,000 and for central securities depositories it may amount to no more than SKK 200,000.

(4) The rates of annual contributions for supervised entities who are a natural person may be fixed separately for individual types of supervised entities pursuant to separate laws,[1)] namely at the rate set for the annual contributions as a fixed amount in the range of SKK 1,000 to SKK 30,000, unless provided otherwise by the law. The amount of the annual allowance for independent financial agents and financial advisers being a natural person may be not less than thirty three Euro (EUR 33.00) and not more than one hundred and sixty five Euro (EUR 165.00)..

(5) Decisions of the Bank Board made to fix annual contributions shall not abide by the provisions on proceedings before the National Bank of Slovakia under this Act and under separate laws, or general regulations on administrative proceedings.[21)] A decision of the National Bank of Slovakia to fix annual contributions shall become valid and enforceable on the day of its publication in Journal issued by the National Bank of Slovakia;40) no remedial measure may be filed against such decision, and such decision is not reviewable in court.[49a)]

(6) An annual contribution shall be disbursed in four equal instalment payments always by the 20th day of the first month of the calendar quarter. If the annual contribution does not exceed the amount of SKK 10,000, it shall be paid in one go by the 20th day of the first month of the calendar year. An instalment payment towards an annual contribution for a period, in which the contributor's authorisation for activities in accordance with a separate law ceased or was withdrawn, shall not be returned.

(7) A contributor shall become liable to pay an annual contribution six calendar months following the month, in which the authorisation for activities in accordance with a separate law[1)] became valid. If the base for the rate of annual contribution is assets of the contributor, the calculation of an annual contribution shall be ruled by the volume of assets stated in accounts[49)] as of the last day of the sixth calendar month following the month in which the authorisation for activities in accordance with a separate law[1)] became valid; each contributor shall be obliged to report the volume of such assets in writing to the National Bank of Slovakia at the latest on the 20[th] day of the calendar month in which he became liable to pay annual contributions. A contributor, who became liable to pay an annual contribution in the course of a calendar year, shall pay a proportion of the annual contribution from the first day of the calendar month, in which he incurred this liability, and by the 20[th] day of the calendar month, in which he incurred the liability. If the proportional part of an annual contribution does not exceed the amount of SKK 10,000, it shall be paid in one go.

(8) If an annual contribution or payments thereof are not disbursed duly and in time, a contributor shall be obliged to pay penalty interest in the amount in accordance with a separate regulation[50)] on the overdue amount of the annual contribution for each overdue day. The penalty interest shall be calculated and levied upon a contributor in arrears by the National Bank of Slovakia; the penalty interest shall not be levied, if not exceeding the value of SKK 100.

(9) If an annual contribution, payments on annual contributions or penalty interest or payments on an annual contribution are not paid duly and in time, the National Bank of Slovakia, based on its record, even without informing the contributor, shall be entitled to draw up a statement of contributor's arrears as regards an unpaid amount of the annual contribution or payment of the annual contribution; such a statement of contributor's arrears shall be enforceable without sending to the

contributor on the day of its preparation by the National Bank of Slovakia. Plus, the National Bank of Slovakia shall be entitled to file a motion for execution by a court executor according to a separate regulation,[51)] with the power for execution[51a)] and source document of execution being based on a decision on fixing an annual contribution and on a statement of contributor's arrears or levying penalty interest.

(10) Annual contributions, payments on annual contributions and penalty interest shall constitute the revenue of the National Bank of Slovakia and shall be disbursed in euros via a fund transfer or a cash deposit in a designated account of the National Bank of Slovakia, unless provided otherwise by a separate law.

(11) A decree to be issued by the National Bank of Slovakia on agreement with the Ministry and promulgated in the Collection of Laws of the Slovak Republic may set out the criteria to set annual contributions for individual types of supervised entities, details of rates of annual contributions or spreads for setting annual contributions, and further details of annual contributions and their rounding off and disbursement.

Fees

ARTICLE 41

(1) There shall be fees paid to the National Bank of Slovakia, if under this Act or separate laws[1)] there are any acts performed or proceedings conducted by the National Bank of Slovakia during supervision of the supervised entities (hereinafter referred to as "acts") on the basis of

a) an application for
   1. granting of an authorisation or a license,
   2. extension or another alteration of an already granted authorisation or a license,
   3. granting of a consent or prior consent,
   4. alteration of already granted consent or prior consent,
   5. approval of an act, prospectus or another document,

b) appeal against a decision of the first instance on an application in accordance with subparagraph a),

c) an application for the issue of a duplicate authorisation, a duplicate license, a duplicate approval, a duplicate consent, a duplicate prior consent or a duplicate of another decision of the National Bank of Slovakia,

d) an act under a separate law.

(2) Fees shall be determined for individual types of acts, mainly in terms of their scope, intensity and complexity. The fees shall be determined as a fixed amount or a percentage rate charged on the base. In the case of fees determined as a percentage rate, the base shall be rounded to whole tens of korunas and fees shall be rounded down to whole korunas.

(3) A decree to be issued by the National Bank of Slovakia on agreement with the Ministry and to be promulgated in the Collection of Laws of the Slovak Republic shall determine the amount or rates of fees for individual types of acts, and may determine the details of fees, their calculation, rounding off and payment.

ARTICLE 42

(1) A fee must be paid by a person who files an application aiming to perform an act on which a fee is charged (hereinafter referred to as "fee payer").

(2) Liability to pay a fee arises by filing an application aimed at performing an act on which a fee is charged. Fee payer must pay the fee within five working days from the filing at the latest. Each fee is to be paid separately. After the payment is made, the fee payer is obliged to present the respective proof of payment to the National Bank of Slovakia without delay, but not later than on the expiry of the time limit for decision-making on the filed application.

(3) Upon the final decision by the National Bank of Slovakia to halt the proceedings on the grounds of the failure to pay even only a part of the determined fee, the obligation to pay the fee in the total amount ceased.

(4) In justified cases that must apply, subject to equal conditions, to all fee payers, the National Bank of Slovakia may proportionally reduce or forgive the fees. Unless decided otherwise by the National Bank of Slovakia, awarded reduction in or exemption from fees shall apply to the whole

proceedings except for fees paid prior to the enforceability date of the decision on the award of such reduction or exemption; fees paid prior to the enforceability date of the decision on the award of such reduction or exemption shall not be returned. The National Bank of Slovakia may at any time during the proceedings withdraw the awarded reduction or exemption of fees, even retroactively, if before a final conclusion of the proceedings it is found that the financial situation of a fee payer does not justify or did not justify the award of reduction in or exemption from fees.

(5) If the National Bank of Slovakia finds that a fee is paid by he who is not liable to pay it, that the fee paid does not contain the data specified for the purpose of identification of the fee or the fee payer, that a fee payer paid a higher fee, or that a fee payer only paid a part of the fee and the proceedings is legally put to halt for a failure to pay the remaining portion, the National Bank of Slovakia shall return the disbursed fee or its respective part within 30 calendar days of finding that the fee or its part is to be returned.

(6) A fee, its part or an overpaid fee shall not be refunded, if the amount to be returned does not exceed the total financial costs required for repayment made through the payment services (Article 41(3)).

(7) Fees shall constitute the revenue of the National Bank of Slovakia and shall be disbursed in euros via a fund transfer or a cash deposit in a designated account of the National Bank of Slovakia, unless provided otherwise by a separate law.

PART SEVEN
COMMON, TEMPORARY AND FINAL PROVISIONS
ARTICLE 43

(1) Liability for damage caused by the National Bank of Slovakia during the exercise of public authority within the scope of supervision of the financial market, shall be stipulated by a separate law.[52)]

(2) In the performance of supervision delegated to the National Bank of Slovakia by this Act or by separate laws[25)], police departments of the Police Forces at its request provide protection to employees of the National Bank of Slovakia, Bank Board members, invited persons and other persons in cases according to a separate regulation.[52a)]

ARTICLE 44

Legal acts of the European Communities and the European Union listed in the Annex are hereby adopted.

ARTICLE 45

(1) The Financial Market Authority shall be closed[53)] and its powers shall be assumed by the National Bank of Slovakia in accordance with the relevant generally binding legal regulations.

(2) Authorisations, approvals, consents, prior consents and other decisions of the Financial Market Authority, which were issued in proceedings before the Financial Market Authority according to the hitherto regulations and which shall be in force on 1 January 2006, shall be considered as authorisations, approvals, consents, prior consents and other decisions issued in proceedings before the National Bank of Slovakia under this Act and under separate laws. Proceedings on the restriction or suspension of activities carried out in accordance with such an authorisation and the alteration, withdrawal or expiration of such an authorisation shall abide by the provisions of this Act; this shall likewise apply to the revocation or expiration of approvals, consents, prior consents and other decision issued by the Financial Market Authority before 1 January 2006.

(3) Proceedings conducted by the Financial Market Authority under the hitherto regulations, which were not finally concluded before 1 January 2006, shall be finished by the National Bank of Slovakia under this Act and under separate laws; with proceedings commenced before 1 January 2006 upon initiative from the Financial Market Authority or the Ministry shall, beginning with 1 January 2006, be treated as proceedings commenced upon initiative from the National Bank of Slovakia. Legal effects of acts, which occurred during proceedings before 1 January 2006, shall endure. A final decision of the Financial Market Authority, which was issued under the hitherto regulations and three years have not yet lapsed since its validity date, may be reviewed by the Bank Board, on its own or

somebody else's initiative and under the conditions stipulated by Article 32(5); if the Bank Board repeals a decision so reviewed, new proceedings in the matter shall fall within the competence of the National Bank of Slovakia. Following 1 January 2006, a decision on the prosecutor's protest[41)] against a decision of the Financial Market Authority shall fall within the Bank Board's competence. If, following 1 January 2006, the Supreme Court of the Slovak Republic repeals[42)] a decision of the Financial Market Authority, new proceedings in the matter shall fall within the competence of the National Bank of Slovakia. If, following 1 January 2006, there is repealed a decision of the Financial Market Authority issued in proceedings conducted in accordance with the hitherto regulations and separate laws, new proceedings in the matter shall, in terms of procedures applied, be conducted before the National Bank of Slovakia in accordance with this Act and separate laws;[1)] a new decision on the matter shall be ruled by the facts of the case and the legal situation at the time of issuing the repealed decision.

(4) On-site supervision performed by the Financial Market Authority under the hitherto regulations and not as yet completed before 1 January 2006, shall be concluded by the National Bank of Slovakia using a procedure according to this Act and separate laws.[1)] Legal effects of acts, which occurred with regard to on-site supervision before 1 January 2006, shall endure.

(5) Starting from 1 January 2006, the assets owned by the Financial Market Authority until 1 January 2006 shall pass onto the National Bank of Slovakia; the same shall also apply to receivables and payables of the Financial Market Authority, should they last after 1 January 2006; liability for damage caused by the Financial Market Authority before 1 January 2006 during the exercise of public authority within the scope of supervision of the financial market, shall be governed by a separate law.[54)]

On 1 January 2006 the rights and obligations arising from labour relations and other legal relations shall pass from the Financial Market Authority onto the National Bank of Slovakia. The Financial Market Authority shall be obliged to hand over to the National Bank of Slovakia a complete list of the transferred assets, receivables, payables and the rights, including the list of employees, signed by the Board chair and vice-chairs. On 1 January 2006, the hitherto term of office of members of bodies of the Financial Market Authority shall expire.

(6) Annual contributions for the year 2006, which shall be fixed for the supervised entities by the Bank Board by 20 January 2006 under the valid regulations,[55)] are defined as annual contributions for the year 2006 set for supervised entities pursuant to this Act. The provisions of Article 40 (2 to 4 and 7, the 2nd sentence) shall be first applied in setting the amounts of annual contributions for supervised entities for 2007.

ARTICLE 45a

Transitional provisions for regulations effective from 19 December 2006

The annual contributions for supervised entities for 2007 shall be set by the Bank Board, according to the procedure laid down in this Act, before 20 January 2007. Supervised entities shall be required to pay those annual contributions for 2007 which do not exceed SKK 10,000, and the first payment of the other annual contributions for 2007, before 20 February 2007.

ARTICLE 46
Cancellation Provisions

The following are hereby repealed:

1. Section I of Act No. 96/2002 Coll. on Supervision of the Financial Market and on amendments and supplements to certain laws, as amended by Section II of Act No. 43/2004 Coll., Section III of Act No. 439/2004 Coll., Section IV of Act No. 650/2004 Coll., Section IV of Act No. 340/2005 Coll., and Section II of Act No. 519/2005 Coll.;
2. Decree of the Ministry of Finance of the Slovak Republic No. 170/2002 Coll. on the Tariff Rates on Acts Performed by the Financial Market Authority, as amended by Decree No. 517/2002 Coll., Decree No. 623/2002 Coll., Decree No. 359/2003 Coll., Decree No. 162/2004 Coll., and Decree No. 413/2005 Coll.

Section II

This Act shall come into effect on 1 January 2006, with the exception of Section I, Article 45, paragraph 5, the third sentence, which come into effect on 1 February 2005.

Act No. 340/2005 Coll. came into effect on 1 September 2005.

Act No. 519/2005 Coll. came into effect on 1 January 2006.

Act No. 214/2005 Coll. came into effect on 1 May 2006.

Act No. 644/2006 Coll. came into effect on 1 January 2007, with the exception of Article VI, which came into effect on the date of promulgation, Article III paragraph (2), which came into force on 30 December 2006, and Article II paragraph (1), which shall come into effect on 1 January 2008.

Act No. 659/2007 Coll. came into effect on 1 January 2008, except for the provisions of Section II, point 2 [Article 2(1)(a) and (b)], point 6 [Article 3], points 8 and 9 [Article 4(4), Article 6(1)(a)], point 12 [Article 6(2)(e)], points 28 to 30 [Articles 15, 16 and 17(1)], point 32 [Article 17c], point 34 [Article 17h(2)], point 37 [Articles 20 and 21], point 45 [Article 28], point 51 [Article 31(1)] and point 58 [Articles 38 and 39], the provisions of Section III, point 1 [Article 5(6)], the provisions of Section IV, point 2 [Article 93(3)], points 4 and 5 [Article 108(1) and Article 109(1)], point 13 [Article 157(1), fourth sentence], point 14 [Article 162(3)], point 17 [Article 223(3)] and point 21 [Article 369(1)], the provisions of Section V, point 5 [Article 40(10)] and point 7 [Article 42(7)], the provisions of Section VI, point 4 [Article 3 (2)(c), point 1], point 35 [Article 76(2)], point 39 [Article 85(4)], points 41 to 43 [Article 87(2) and (3) and Article 88(8)] and point 63, the provisions of Section VII, point 3 [Article 3(1)(c) point 1], the provisions of Section VIII, point 2 [Section I, Article 48(2)], the provisions of Section X, point 1 [Article 2(2)(c), points 1 and 2, Article 38(1), Article 67(2), Article 87(2)(d)] and points 10 to 12 [Article 84(2) and (3), Article 85a(2) and (4), Article 87(2)(i)], the provisions of Section XI, the provisions of Section XII, point 2 [Article 7(4)] and points 4 to 7 [Article 9(1), Article 9(2)(b), Article 9(3), Article 10(8)], the provisions of Section XIII, point 1 [Article 4(4)(d),], point 3 [Article 8(3)], points 5 and 6 [Article 21a(2)(b), Article 30(2)] and points 10 to 12 [Article 75, Article 77(2) to (5), Article 78a] and point 13, the provisions of Section XIV, the provisions of Section XV, points 1 and 2 [Article 23(11), Article 75(2)], the provisions of Section XVI, point 2 [Article 61], the provisions of Section XVII points 1 to 6 [Article 56(1), Article 64(5), Article 116(8), Article 129(2), Article 138(1)(a), and Article 138(25)], and the provisions of Section XVIII and Sections XXII to XXVI which shall enter into force on the euro introduction date in the Slovak Republic.

Act No. 552/2008 Coll. came into effect on 1 January 2009.

Act No. 176/2009 Coll. came into effect on 10 July 2009.

Act No. 492/2009 Coll. came into effect on 1 December 2010.

Act No. 186/2009 Coll. came into effect on 1 January 2010.

LIST OF ADOPTED LEGAL ACTS OF THE EUROPEAN COMMUNITIES AND THE EUROPEAN UNION

1. Council Directive 73/239/EEC of 24 July 1973 on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of direct insurance other than life assurance (OJ L 228, 16.8.1973), as amended by Council Directive 76/580/EEC of 29 June 1976 (OJ L 189, 13.7.1976), Council Directive 84/641/EEC of 10 December 1984 (OJ L 339, 27.12.1984), Council Directive 87/343/EEC of 22 June 1987 (OJ L 185, 4.7.1987), Council Directive 87/344/EEC of 22 June 1987 (OJ L 185, 4.7.1987), Council Directive 88/357/EEC of 22 June 1988 (OJ L 172, 4.7.1988), Council Directive 90/618/EEC of 8 November 1990 (OJ L 330, 29.11.1990), Council Directive 92/49/EEC of 18 June 1992 (OJ L 228, 11.8.1992), Directive 95/26/EC of the European Parliament and of the Council of 29 June 1995 (OJ L 168, 18.7.1995), Directive 2000/26/EC of the European Parliament and of the Council of 16 May 2000 (OJ L 181, 20.7.2000), Directive 2002/13/EC of the European Parliament and of the Council of 5 March 2002 (OJ L 77, 20.3.2002), and Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 (OJ L 35, 11.2.2003).
2. Council Directive 91/308/EEC of 10 June 1991 on prevention of the use of the financial system for the purpose of money laundering (OJ L 166, 28.6.1991), as amended by Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 (OJ L 344, 28.12.2001).
3. Council Directive 85/611/EEC of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 375, 31.12.1995), as amended by Council Directive 88/220/EEC of 22 March 1988 (OJ L 100, 19.4.1988), Directive 95/26/EC of the European Parliament and of the Council of 29 June 1995 (OJ L 168, 18.7.1995), Directive 2000/64/EC of the European Parliament and of the Council of 7 November 2000 (OJ L 290, 17.11.2000), Directive 2001/107/EC of the European Parliament and of the Council of 21 January 2002 (OJ L 041, 13.2.2002), and by Directive 2001/108/EC of the European Parliament and of the Council of 21 January 2002 (OJ L 041, 13.2.2002).
4. Council Directive 92/49/EEC of 18 June 1992 on the coordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance and amending Directives 73/239/EEC and 88/357/EEC (Third non-life insurance Directive) (OJ L 228, 11.8.1992), as amended by Directive 95/26/EC of the European Parliament and of the Council of 29 June 1995 (OJ L 168, 18.7.1995), Directive 2000/64/EC of the European Parliament and of the Council of 7 November 2000 (OJ L 290, 17.11.2000), and by Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 (OJ L 35, 11.2.2003).
5. Council Directive 93/6/EEC of 15 March 1993 on the capital adequacy of investments firms and credit institutions (OJ L 141, 11.6.1993), as amended by Directive 98/31/EC of the European Parliament and of the Council of 22 June 1998 (OJ L 204, 21.7.1998), Directive 98/33/EC of the European Parliament and of the Council of 22 June 1998 (OJ L 204, 21.7.1998), and Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 (OJ L 035, 11.2.2003).
6. Directive 93/22/EEC of 10 May 1993 on investment services in the securities field (OJ L 141, 11.6.1993), as amended by Directive 95/26/EC of the European Parliament and of the Council of 29 June 1995 (OJ L 168, 18.7.1995), Directive 97/9/EC of the European Parliament and of the Council of 3 March 1997 (OJ L 084, 26.3.1997), Directive 2000/64/EC of the European Parliament and of the Council of 7 November 2000 (OJ L 290, 17.11.2000), and Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 (OJ L 035, 11.2.2003).
7. Directive 98/78/EC of the European Parliament and of the Council of 27 October 1998 on the supplementary supervision of insurance undertakings in an insurance group (OJ L 330, 5.12.1998), as amended by Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 (OJ L 035, 11.2.2003).
8. Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions (OJ L 126, 26.5.2000), as amended by Directive 2000/28/EC of the European Parliament and of the Council of 18 September 2000 (OJ L

275, 27.10.2000), Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 (OJ L 035, 11.2.2003), Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 (OJ L 145, 30.4.2004), and by Commission Directive 2004/69/EC of 27 April 2004 (OJ L 125, 28.4.2004).
9. Directive 2001/34/EC of the European Parliament and of the Council of 28 May 2001 on the admission of securities to official stock exchange listing and on information to be published on those securities (OJ L 184, 6.7.2001), as amended by Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 (OJ L 096, 12.4.2003), and Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (OJ L 345, 31.12.2003).
10. Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance (OJ L 345, 19.12.2002).
11. Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC, 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council (OJ L 035, 11.2.2003).
12. Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse) (OJ L 096, 12.4.2003).

Footnotes to the reference:

1) Act No. 483/2001 Coll. on Banks and on amendments and supplements to certain laws, as amended.

Act of the Slovak National Council No. 310/1992 Coll. on Home Savings, as amended.

Act No. 566/2001 Coll. on Securities and Investment Services, and on amendments and supplements to certain laws (the Securities Act), as amended.

Act No. 530/1990 Coll. on Bonds, as amended.

Act No. 429/2002 Coll. on the Stock Exchange, as amended.

Act No. 594/2003 Coll. on Collective Investment, and on amendments and supplements to certain laws, as amended.

Act No. 8/2008 Coll. on Insurance Business, and on amendments and supplements to certain laws, as amended.

Act of 24 April 2009 on financial intermediation and financial counselling and on amendments and supplements to certain laws.

Act No. 381/2001 Coll. on Mandatory Contractual Insurance Against Liability for Damage Caused by Operation of Motor Vehicles, and on amendments and supplements to certain laws, as amended.

Act No. 43/2004 Coll. on Old-Age Pension Schemes, and on amendments and supplements to certain laws, as amended.

Act No. 650/2004 Coll. on Supplementary Pension Schemes, and on amendments and supplements to certain laws.

Act No. 266/2005 Coll. on the Consumer Protection in Connection with the Distance Financial Services and on amendments and supplements to certain laws.

Article 22 of Act of the National Council of the Slovak Republic No. 118/1996 Coll. on the Protection of Bank Deposits and on amendments and supplements to certain laws, as amended.

Articles 63 to 87 of Act No. 492/2009 Coll. on payment services and on amendments to certain acts, as amended.

Article 2(1d) of Act of the National Council of the Slovak Republic No. 566/1992 Coll. on the National Bank of Slovakia, as amended.

Article 18(2) and (5) and Article 29 (3) to (5) of Act No. 297/2008 Coll. on protection against money laundering and terrorism financing and on the amendments of some other laws.

Act No. 80/1997 Coll. on the Export-Import Bank of the Slovak Republic, as amended.

1a) Article 18 (5) of Act No. 80/1997 Coll., as amended by Act No. 492/2009 Coll

2) Articles 7 and 15 of Act No. 575/2001 Coll. on the Organisation of Operations of the Government and Central Government Agencies, as amended.

3) Article 2(3d) of Act of the National Council of the Slovak Republic No. 350/1996 Coll. on the Rules of Procedure of the National Council of the Slovak Republic.

4) E.g. the Civil Procedure Code, Act No. 244/2002 Coll. on Arbitration Proceedings, Articles 67 to 71 of Act No. 510/2002 Coll., amended by Act No. 604/2003 Coll.

5) Article 41 of Act of the National Council of the Slovak Republic No. 566/1992 Coll. as amended.

6) Article 9(3) of the Labour Code.

7) Articles 2, 3, 29 and 39(1), and Articles 73a to 73k of the Act of the National Council of the Slovak Republic No. 323/1992 Coll. on Notaries and Notary Activities (Notary Code) as amended.

8) Article 2(4 and 5), Articles 6 to 8, Articles 16, 27 and 28 of Act No. 466/2002 Coll. on Auditors and the Slovak Chamber of Auditors

9) Articles 99 to 111 of Act No. 566/2001 Coll., as amended.

10) Article 2 of Act No. 429/2002 Coll.

11) E.g. Act No. 7/2005 Coll. on bankruptcy and restructuring and on the amendment and supplementing of certain acts, as amended, Articles 8 to 9a of Act No. 328/1991 Coll. on Bankruptcy Proceedings, as amended, the Act of the National Council of the Slovak Republic No. 233/1995 Coll. on Proving Executors and Distraint (Distraint Code) and on amendments and supplements to other laws as amended, Act No. 382/2004 Coll. on Court Experts, Interpreters and Translators, and on amendments and supplements to certain laws as amended.

12) E.g. Article 2(1) and Article 15 of Act No. 466/2002 Coll.

13) E.g. Article 16 of Act No. 466/2002 Coll.

14) Act No. 211/2000 Coll. on Free Access to Information and on amendments and supplements to certain laws (the Freedom of Information Act), as amended by Act No. 747/2004 Coll.

15) E.g. Article 11(1d and e) of Act No. 211/2000 Coll., as amended by Act No. 747/2004 Coll., Article 38.1 of Protocol No. 18 on the Statute of the European System of Central Banks and the European Central Bank as part of the Treaty establishing the European Community, Annexes to the Treaty of Slovakia's Accession to the European Union (Notice No. 185/2004 Coll.).

16) Labour Code.

17) Article 6 (2c) of Act No. 566/1992 Coll. of the National Council of the Slovak Republic.

18) Article 6 (1b) and Article 8 (1-3) of Act No. 566/1992 Coll. of the National Council of the Slovak Republic, as amended.

19) Articles 244 and 247 of the Civil Procedure Code.

20) E.g. Article 40 of Act of the National Council of the Slovak Republic No. 202/1995 Coll. Foreign Exchange Act and the act amending and supplementing the Act of the National Council of the Slovak Republic No. 372/1990 Coll. on Infringements as amended.

21) Act No. 71/1967 Coll. on Administrative Proceedings (the Administrative Procedure Code) as amended.

22) Article 21 of the Constitution of the Slovak Republic.

23) E.g. Act No. 215/2004 Coll. on Protection of Classified Matters and on the amendments and supplements to certain laws, Articles 40 and 41 of Act of the National Council of the Slovak Republic No. 566/1992 Coll. as amended, Articles 91 to 93a of Act No. 483/2001 Coll. as amended, Articles 17 to 20 of the Commercial Code.

24) Article 136(1) and Article 137(1) of the Labour Code.

25) E.g. Act No. 483/2001 Coll. as amended, Act No. 310/1992 Coll. of the Slovak National Council as amended, Act No. 566/2001 Coll. as amended, Act No. 530/1990 Coll. as amended, Act No. 429/2002 Coll. as amended, Act No. 594/2003 Coll. as amended, Act No. 8/2008 Coll. as amended, Act No. 381/2001 Coll. as amended, Act No. 43/2004 Coll. as amended, Act No. 650/2004 Coll., Act No. 510/2002 Coll. as amended, Act No. 202/1995 Coll. of the National Council of the SR as amended, Article 22 of Act No. 118/1996 Coll. as amended, Articles 17(f) and (g) and Article 45 of Act No. 566/1992 Coll. as amended,

26) Article 2(11) of Act No. 483/2001 Coll.

Act of the National Council of the Slovak Republic No. 566/1992 Coll. as amended.

27) Article 34b(1a) to (c) of Act of the National Council of the Slovak Republic No. 566/1992 Coll., as amended by Act No. 602/2003 Coll.

28) E.g. Articles 53 to 62 of Act No. 483/2001 Coll. as amended, Articles 147 to 155 of Act No. 566/2001 Coll. as amended, Articles 109 and 110 of Act No. 594/2003 Coll., Articles 51 to 59 of Act No. 95/2002 Coll. as amended.

29) E.g. Articles 114 to 118 of Act No. 566/2001 Coll. as amended by Act No. 594/2003 Coll.

30) Article 31(5) of Act No. 507/2001 Coll. on Postal Services, as amended by Act No. 15/2004 Coll.

31) E.g. Act No. 530/2003 Coll. on the Companies‘ Register and on amendments and supplements to certain laws, Article 27 of the Commercial Code, Article 60 of Act No. 455/1991 Coll. on Sole Traders‘ Business (the Trading Act), as amended, Article 2(2) and Articles 10 and 11 of Act No. 34/2002 Coll. on Foundations and on the Amendment to the Civil Code, as amended, Article 9(1 and 2) and Article 10 of Act No. 147/1997 Coll. on Non-Investment Funds and on the Supplement to Act of the National Council of the Slovak Republic No. 207/1996 Coll., Article 9(1 and 2) and Article 11 of Act No. 213/1997 Coll. on Non-Profit Organisations Providing Community Services, as amended by Act No. 35/2002 Coll., Articles 6, 7, 9 and 9a of Act No. 83/1990 Coll. on the Association of Citizens, as amended, Article 6(1) and Article 7 of Act of the National Council of the Slovak Republic No. 182/1993 Coll. on the Ownership of Residential and Non-Residential Premises, as amended, Article 4(3) of Act No. 515/2003 Coll. on Regional and District Offices and on amendments and supplements to certain laws.

32) E.g. Act No. 530/2003 Coll., Article 27 of the Commercial Code, Article 60 of Act No. 455/1991 Coll., as amended, Article 34(9) of Act No. 95/2002 Coll., Articles 12b and 12c of Act No. 105/1990 Coll. on Private Business Pursued by Citizens, as amended by Act No. 219/1991 Coll.

33) Act of the National Council of the Slovak Republic No. 241/1993 Coll. on Public Holidays, Days off Work and Memorial Days, as amended.

34) E.g. Article 7(1) of Act No. 483/2001 Coll.

35) E.g. Article 9(4), Article 13(2), Article 30(3), Article 50(5) and Article 94(2) of Act No. 483/2001 Coll. as amended, Article 61(6), Article 70(7), Article 102(9), Article 103(4), Article 114(5), Article 122(4), Article 124(2) and Article 144(10) of Act No. 566/2001 Coll. as amended, Article 13(9), Article 32(3), Article 36(8), Article 37(7 and 11) and Article 50(2) of Act No. 95/2002 Coll. as amended, Article 10(5), Article 57(4) and Article 68(4) of Act No. 594/2003 Coll. as amended, Article 52(5), Article 111(8) and Article 116(3) of Act No. 43/2004 Coll. as amended, Article 6(6) and Article 18(3) of Act No. 429/2002 Coll. as amended.

36) Act No. 382/2004 Coll.

Decree of the Ministry of Justice of the Slovak Republic No. 490/2004 Coll. enacting Act No. 382/2004 Coll. on Court Experts, Interpreters and Translators and on amendments and supplements to certain laws.

Decree of the Ministry of Justice of the Slovak Republic No. 491/2004 Coll. on Awards, Reimbursement of Expenses and Compensation for Wasting Time of Experts, Interpreters and Translators.

37) Article 116 of the Civil Code.

38) Act No. 382/2004 Coll.

39) Article 9(1) of Act of the National Council of the Slovak Republic No. 566/1992 Coll., as amended by Act No. 149/2001 Coll.

40) Article 44 of Act of the National Council of the Slovak Republic No. 566/1992 Coll., as amended by Act No. 602/2001 Coll.

41) Articles 22 to 27 of Act No. 153/2001 Coll. on the Office of Public Prosecution.

42) Article 244, Article 246(2b) and Articles 247 to 250k of the Civil Procedure Code.

43) Article 78(1) of Act No. 483/2001 Coll.

44) Article 44(1a) and Article 125 of Act No. 594/2003 Coll.

45) Act No. 566/2001 Coll. as amended.

Act No. 429/2002 Coll. as amended.

46) Act No. 594/2003 Coll. as amended.

47) Act No. 95/2002 Coll. as amended.

48) Article 38(2) of Act of the National Council of the Slovak Republic No. 566/1992 Coll. as amended.

49) Act No. 431/2002 Coll. as amended.

49a) Article 248 letter d) of the Civil Procedure Code.

50) Article 517(2) of the Civil Code.

Article 3 of Regulation of the Government of the Slovak Republic No. 87/1995 Coll., which is to implement certain provisions of the Civil Code.

Article 18 and Article 44(b) of Act of the National Council of the Slovak Republic No. 566/1992 Coll., as ameded by Act No. 602/2003 Coll.

51) E.g. Article 251 of the Civil Procedure Code, Act of the National Council of the Slovak Republic No. 233/1995 Coll., as amended.

51a) Article 41 par. 2 g) and i) and Article 45 par. 5 of Act of the National Council of the Slovak Republic No. 233/1995 Coll. as amended.

52) Act No. 514/2003 Coll. on Liability for Damage Caused During the Exercise of Public Authority, and on amendments to certain laws.

52a) Article 73 of Act of the National Council of the Slovak Republic No. 171/1993 Coll. on Police Forces, as amended.

53) Act No. 96/2002 Coll. on Supervision of the Financial Market and on amendments and supplements to certain laws, as amended.

54) Articles 2 and 3 and Article 4(1c) of Act No. 514/2003 Coll.

55) Article 53 (2) of Act No. 96/2002 Coll. as amended.

ANNEX XIV: EXTRACTS FROM THE ACT ON BANKS

Article 3

(1) No person without a banking licence may accept deposits unless stipulated otherwise by a separate regulation.5 No person without a banking licence may offer interest or other compensation on deposits, which constitutes a tax expense according to a separate regulation.10

(2) Unless stipulated otherwise by a separate regulation,11 no person may provide, without a banking licence, loans or credits as part of its business or other activity by using repayable funds obtained from other persons on the basis of a public offer.

(3) No. person may provide payment services for another person as part of its business or other activity without a banking licence, unless stipulated otherwise by a separate regulation.12)

Article 7

(1) Decisions to grant a licence shall be made by the National Bank of Slovakia. Granting a banking licence pursuant to a separate regulation 21) or a licence to provide mortgage transactions shall be decided by the National Bank of Slovakia following an agreement with the Ministry of Finance of the Slovak Republic (hereinafter referred to as the "Ministry"). An application for a banking licence shall be submitted to the National Bank of Slovakia.

(2) To obtain a banking licence as stipulated in paragraph 1, the following conditions must be met:

a) a minimum monetary deposit towards a bank's registered capital of SKK 500,000,000 and a minimum monetary deposit towards the registered capital of a bank performing mortgage transactions of SKK 1,000,000,000,

b) transparent and trustworthy origin21a of registered capital and other financial resources of the bank,

c) eligibility and suitability of persons who would become shareholders with qualified interest in the bank, and transparency of their relations with other persons, above all transparency of their interests in registered capital and voting rights,

d) proposal of members of the statutory body pursuant to Article 24, paragraph 1,

e) professional competence and integrity of persons nominated as members of the statutory body, as a procurator, as members of the supervisory board, officers 22), as the head of the internal control department and the head of the internal audit department,

f) draft Articles of Association,

g) a business plan drawing on a proposed strategy for the bank's operations supported by realistic economic calculations,

h) transparency of a closely connected group which includes the bank's qualified shareholder,

i) close links within the group according to h) do not obstruct supervision,

j) the system of law and its application in the country, in the territory of which the group according to h) has close ties, does not obstruct supervision,

k) the registered office, head office, and principal banking activities of the future bank must be located or carried out in the territory of the Slovak Republic; the bank may conduct banking activities also outside the territory of the Slovak Republic through its branch office or without establishing branch office according to conditions established by this Act,

l) document the ability of shareholders establishing the bank to overcome a potentially difficult financial situation of the bank;

m) conditions equivalent to those for the issuance of an investment services licence are met, as appropriate, in respect of the requested scope of investment services, investment activities and ancillary services.

(2) The National Bank of Slovakia shall reject an application pursuant to paragraph 1

if the applicant does not meet one of the conditions specified in paragraph 2. The reason for rejecting an application pursuant to paragraph 1 may not be the economic needs of the financial market.
(4) Before commencing the licensed banking activities, a bank is obligated to demonstrate to the National Bank of Slovakia:
a) that its registered capital has been fully paid up,
b) technical, organisational, and personnel preparedness to conduct licensed banking activities of the bank, the existence of a management and control system of a bank, including an internal control department, an internal audit department, and a system of risk management,
c) that it meets the requirements laid down in Article 27, paragraph 9.
(5) A bank may commence its banking activities specified in its licence on the basis of a written notification from the National Bank of Slovakia informing that the conditions pursuant to paragraph 4 have been met.
(6) A bank shall be obligated to observe the conditions stipulated in paragraphs 2 and 4 permanently throughout the validity of its banking licence.
(7) An applicant whose shareholder with a qualified interest is a foreign bank shall submit a statement from the banking supervisory authority of the country in which the foreign bank has its registered office concerning the establishment of a bank in the territory of the Slovak Republic, as well as a written commitment by the banking supervisory authority that it will advise in writing the National Bank of Slovakia in time of any changes in maintenance of own resources in respect to the requirements and liquidity and other facts that could adversely affect the ability of the foreign bank to meet its obligations.
(8) The National Bank of Slovakia shall discuss an application for a banking licence with the relevant supervisory authority of the Member State concerned pursuant to Article 7a, paragraph 1, where a banking licence is to be granted pursuant to paragraph 1 to an applicant:
a) which will be a subsidiary of a foreign bank based in the Member State;
b) which will be a subsidiary of the parent company of a foreign bank based in the Member State;
c) which will be controlled by the same persons who/which control a foreign bank based in the Member State;
d) which will be a subsidiary of an insurance company or a securities dealer based in the Member State;
e) which will be a subsidiary of the parent company of an insurance company or a securities dealer based in the Member State;
f) which is controlled by the same persons who/which control an insurance company or a securities dealer based in the Member State.
(9) The National Bank of Slovakia shall, by a decree 23) promulgated in the Collection of Laws of the Slovak Republic (hereinafter referred to as "Collection of Laws"), stipulate:
a) the particulars of an application for a banking licence, including the particulars of an application of a bank that performs its activities according to a separate regulation 21) to the application,
b) details of conditions specified in paragraph 2 and how compliance is to be demonstrated,
c) how compliance with provisions of paragraph 4 should be demonstrated.
(10) A person is deemed suitable for the purposes of this Act, if he reliably documents meeting the criteria set out in paragraph 2, letter b) and if from all circumstances it is evident that he would ensure proper and safe conduct of banking activities in the interest of stability of the banking sector.
(11) Qualified interest for the purposes of this Act means direct or indirect interest in a legal entity, representing 10 % or more of registered capital of a legal entity or voting rights in a legal entity, calculated in accordance with a separate regulation,23a) or a share allowing to exercise significant influence over the management in this legal person..
(12) Indirect holding means, for the purposes of this Act, a holding which is held

through an intermediary, the same being either one or more legal entities over which the holding legal entity exercises control.
(13) For the purposes of this Act, a group of entities with close links means any relationship between two or more persons whereby one of the persons holds in the other, either directly or indirectly, 20 percent or more of registered capital or voting rights, or controls this person directly or indirectly, or any relationship between two persons controlled by the same person.
(14) Only a person with the proper professional qualification may be appointed as, and perform the duties of, a member of the statutory body of a bank, a member of the supervisory board of a bank, the head of a branch of a foreign bank, the deputy head of a branch of a foreign bank, a general proxy, a managerial employee or the head of the internal control and internal audit department of a bank or branch of a foreign bank. For the purposes of this Act, professional competence of persons nominated as members of the statutory body, as a procurator, as the chief executive officer of branch office of a foreign bank or his deputy, bank officers, and the head of the internal control department and the head of internal audit department means completed university education, at least three years of experience in the area of banking or another financial area, and three years of management experience in banking or another financial area. Also a person with a completed secondary education, a completed technical/business college education or another similar education gained abroad and at least seven years of experience in the area of banking or another financial area, of which at least three years were spent in a managerial position may be recognized by the National Bank of Slovakia as a professionally competent person. For persons nominated as members of the supervisory board, professional competence means appropriate knowledge and experience in the area of banking or another financial area. By a decree which may be issued by the National Bank of Slovakia and which shall be promulgated in the Collection of Laws, there shall be stipulated details of what is meant by professional qualification for the performance of the duties of a member of a bank's supervisory board, what is meant by professional qualification for the performance of the duties of a member of a bank's statutory general proxy, a managerial employee or the head of the internal control and internal audit department of a bank or branch of a foreign bank, and how such professional qualification is to be proved.
(15) For the purposes of this Act, a natural person shall be deemed trustworthy provided that:
a) he or she has not been lawfully sentenced for any property related criminal offence of financial nature, any criminal offence committed in connection with a managerial office or for any intentional criminal offence; these facts shall be proven and documented by a a transcript of the entry in the Criminal Record Register 24) not older than three months; in the case of a foreigner, these facts shall be proven and documented by a similar certificate issued by a competent authority in the state of his habitual residence,
b) over the past ten years, he or she has not held an office specified in paragraph 2, letter e) or acted as the head of a foreign branch office in a bank, in branch office of a foreign bank or in a financial institution whose banking licence or another authorisation to conduct business was withdrawn, at any time within one year before the withdrawal of the licence,
c) over the past ten years, he or she has not held an office specified in paragraph 2, letter e), in a bank or a financial institution placed under forced administration, at any time within one year before the imposition of such forced administration,
d) over the past ten years, he or she has not held an office specified in paragraph 2, letter e) in a bank or a financial institution which entered liquidation or became insolvent,
24aa) in respect of whose estate bankruptcy was declared, restructuring permitted, a forced settlement was confirmed or composition approved, in respect of which a bankruptcy petition was rejected or a bankruptcy proceeding suspended or terminated on the grounds of lacking assets or the bankruptcy was rejected on the grounds of

lacking assets, at any time within one year before the rise of such circumstance,
e) he or she was not lawfully charged a fine of more than 50% of the sum which could have been imposed according to Article 50, paragraph 2,
f) he or she is not considered as untrustworthy according to separate regulations 24a) in the financial sector,
g) over the past ten years, he or she has been holding his or her office or doing business reliably, fairly and without breaching generally binding regulations and, regarding that, provides a guarantee that he or she will be holding the proposed office reliably, fairly and without breaching generally binding regulations, including the performance of duties following from the generally binding regulations, from the bank's or foreign bank's articles of association and/or their internal regulations and management acts.
(16) The National Bank of Slovakia may recognize a person mentioned in Article 15, letters b), c) and d), as a trustworthy person if from the nature of the matter it is clear that as regards the time spent in the office specified in paragraph 2, letter e), or Article 8, paragraph 2, letter c), this person could not have influenced the bank's or foreign bank branch's operations and caused the consequences specified in the provisions of paragraph 15, letters b), c) and d). 14
(17) A subsidiary for the purposes of this Act means a legal entity over which control is exercised and also any subsidiary of such a subsidiary.
(18) A parent company for the purposes of this Act means a legal entity that exercises control.
(19) Control for the purposes of this Act means:
a) direct or indirect share or the sum of direct and indirect share exceeding 50% in the registered capital of a legal person or the voting rights of a legal person,
b) the right to appoint, otherwise establish, or dismiss a statutory body, the majority of members of a statutory body, the majority of members of a supervisory body or other governing, supervisory, or control body of a legal person,
c) the ability to exercise influence over the management of a legal person (hereinafter "decisive influence"):
1. comparable with the influence that would attach to a holding under subparagraph (a), whether on the basis of the articles of association of the legal person, or a contract concluded between the legal person and its partner or member;
2. on the basis of the relationship between a partner or member of the legal person and a majority of the members of the statutory body or a majority of the members of the supervisory board or a majority of the persons constituting another management, supervisory or oversight body of the legal person, established on the basis of their appointment by the respective partner or member of the legal person, where the relationship of control so established lasts until the preparation of the next consolidated financial statements after the right of the respective partner or member of the legal person has expired under subparagraph (b);
3. comparable with the influence that would attach to a holding under subparagraph (a), on the basis of an agreement between the partners of the legal person or".
d) the ability to directly or indirectly exercise a controlling influence in any other way.
(20) For the purposes of this Act, an officer shall mean a person directly reporting to a statutory body of a bank or to the chief executive officer or his/her deputy of a branch office of a foreign bank who manages activities or a part thereof of the bank or branch office of the foreign bank.
(21) 'Significant influence' for the purposes of this Act means the possibility to exercise influence over the management in a legal person which is comparable to influence corresponding to the 10% share or more percent share in the share capital or voting rights in the legal person.

Article 7a

(1) The National Bank of Slovakia shall discuss the granting of a banking licence with the following authorities:

a) the banking supervisory authority of the Member State in which the foreign bank is based, when a banking licence is to be issued pursuant to Article 7, paragraph 8, letters a) to c);

b) the supervisory body of the Member State in charge of the supervision of insurance companies or securities business entities and in which the foreign insurance company or securities dealer is based, when a banking licence is to be issued pursuant to Article 7, paragraph 8, letters d) to f).

(2) The National Bank of Slovakia shall discuss, with the relevant supervisory authority of the Member State referred to in paragraph 1, mainly the eligibility and suitability of persons who are shareholders with a qualified share of a foreign bank, and the professional qualification and credibility of natural persons who are members of the statutory body of persons referred to in paragraph 1 letter b).

(3) If, after being granted a banking licence, a bank becomes part of a consolidated group pursuant to Articles 44 to 49, including a financial holding institution, or part of a financial conglomerate pursuant to Articles 49a to 49o, including a mixed financial holding company, the granting of a banking licence shall be conditional upon the presentation of a proof of professional qualification and credibility in the case of natural persons, who are members of the statutory body of the aforementioned financial holding institution or mixed financial holding company.

(4) The professional qualification of persons referred to in paragraph 3 shall mean adequate knowledge of the financial sector and experience in the area of finance. The credibility of persons referred to in paragraph 3 shall also be verified according to Article 7, paragraph 15.

Article 8

(1) A decision to grant a licence to a foreign bank to conduct banking activities through its branch office located in the territory of the Slovak Republic shall be made by the National Bank of Slovakia. A foreign bank shall submit an application for the banking licence to the National Bank of Slovakia.

(2) To obtain a banking licence pursuant to paragraph 1, the following conditions must be met:

a) a sufficient volume and transparent origin of funding provided by a foreign bank to its branch office in relation to the scope and risk exposure of the business operations of the branch office,

b) trustworthiness of the foreign bank and its financial strength adequate to the scope of business operations of its branch office,

c) professional competence and trustworthiness of persons nominated by the foreign bank for the head and deputy head of a branch of a foreign bank and for the head of the internal control and internal audit department,

d) the foreign bank's business plan drawing on a proposed strategy for the branch's operations supported by realistic economic calculations,

e) transparency of a closely connected group that includes the foreign bank, close links within the group mentioned in e) do not obstruct supervision,

g) the system of law and its application in the home country of the group specified in e) does not obstruct supervision,

h) the foreign bank seeking to operate in the territory of the Slovak Republic through its branch office has its registered office and conducts a principal part of its activity in the same country;

i) conditions equivalent to those for the issuance of an investment services licence are met, as appropriate, in respect of the requested scope of investment services, 22a) investment activities and ancillary services.

(3) The National Bank of Slovakia shall reject an application pursuant to paragraph 1

if the applicant fails to meet any of the conditions specified in paragraph 2. The reason for rejecting an application according to paragraph 1 may not be the economic needs of the market.
(4) Before commencing the licensed banking activities, branch office of a foreign bank is obligated to demonstrate to the National Bank of Slovakia:
a) the technical, organisational, and personnel preparedness to conduct licensed banking activities of the branch office of a foreign bank, the existence of a management and control system of branch office of a foreign bank, including an internal control department, an internal audit department, and a system of risk management,
b) that it meets the requirements laid down in Article 27, paragraph 9.
(5) Branch office of a foreign bank may commence its banking activities specified in the licence on the basis of a written notification from the National Bank of Slovakia informing that the conditions pursuant to paragraph 4 have been met.
(6) Branch office of a foreign bank shall be obligated to observe the conditions stipulated in paragraphs 2, 4 and 9 permanently throughout the duration of validity of the banking licence.
(7) A foreign bank shall submit together with an application for a banking licence a binding written statement from the banking supervisory authority of the country in which the foreign bank has its registered office concerning the establishment of its branch office in the territory of the Slovak Republic, as well as a written commitment by the banking supervisory authority that it will advise in writing the National Bank of Slovakia in time of any changes in maintenance of own resources in respect to the requirements and liquidity and on other facts that could adversely affect the ability of the foreign bank to meet its obligations.
(8) In labelling its head office and in written communications, branch office of a foreign bank shall be obligated to always include in its name the words "branch office of a foreign bank".
(9) The banking licence pursuant to paragraph 1 may only permit mortgage transactions if the foreign bank applying for the licence pursuant to paragraph 1 has a licence to perform mortgage transactions in its home country and when the law of that country guarantees equal rights for mortgage or municipal loan borrowers and for holders of mortgage bonds issued in the Slovak Republic pursuant to a separate regulation6, including equal ranking in bankruptcy proceedings, as for mortgage or municipal loan borrowers and mortgage bond holders in the country where it has its registered office, however, at least in the extent of rights given to mortgage or municipal loan borrowers and mortgage bond holders by the law of the Slovak Republic.
(10) The National Bank of Slovakia shall, by a decree23 to be promulgated in the Collection of Laws, stipulate:
a) the particulars of an application for a banking licence pursuant to paragraph 1, including the particulars of the application for branch office of a foreign bank pursuant to paragraph 1 that is to provide mortgage transactions, and documents to be attached to the application,
b) details of conditions specified in paragraph 2 and how compliance is to be demonstrated,
c) how compliance with the requirements set out in paragraph 4 is to be demonstrated.
(11) A reason for rejection of an application for a banking licence pursuant to paragraph 1 may not be the fact that the legal form of the foreign bank does not correspond to the form of a joint stock company.

Article 9

(1) A banking licence shall be granted for an indefinite period and shall not be transferable to another person or to the bank's legal successor.
(2) A banking licence contains a precise definition of licensed banking activities and may also contain conditions that a bank or branch office of a foreign bank must meet before commencing the licensed activity or which they must observe when conducting any licensed banking activity.

(3) A banking licence may restrict the extent or manner of performance of certain banking activities. At the request of a bank or branch office of a foreign bank, the banking licence may be extended by a decision to include other banking activities; the same applies to any extensions of the restricted extent and manner of performance of banking activities. The National Bank of Slovakia shall send the banking licence for publication in the Commercial Bulletin within 30 days.24c

(4) A bank must inform the National Bank of Slovakia in writing in advance about any changes in the conditions which were a basis for the granting of a banking licence according to Article 7; a prior approval of the National Bank of Slovakia is required for any replacements of members and appointments of new members of its statutory body, appointment of a procurator, replacements of members and appointments of new members of its supervisory board, replacements of bank officers, replacements of the head of the internal control department and internal audit department, and for any change to the registered office of the bank; otherwise any such replacement, appointment or change shall be invalid. A precondition24b for the alteration of the bank's articles of association or the new articles of association (hereinafter the "alteration of articles") entering into force and becoming effective shall be the grant of approval from the National Bank of Slovakia. No later than within the third day of adopting a decision to alter its articles, a bank shall be obligated to deliver to the National Bank of Slovakia a written application for the grant of approval of the National Bank of Slovakia for the respective alteration of articles, with the annexed wording of this alteration and the full version of these articles prior to the alteration and after it. If the National Bank of Slovakia does not grant the approval to alter the articles, such an alteration shall be invalid. If, however, the National Bank of Slovakia does not decide on the application within 30 days of delivering the complete application, the approval for the respective alteration of the articles shall be deemed as granted.

(5) A foreign bank or branch office of the foreign bank has the duty to inform the National Bank of Slovakia in writing about any intended changes in the circumstances that were the basis for granting its banking licence pursuant to paragraph 8, always in advance; a prior approval from the National Bank of Slovakia shall be required for any replacements of the chief executive officer of branch office of a foreign bank, replacements of bank officers, replacements of the head of the internal control department and internal audit department, and for a change of the registered office of the branch office of the foreign bank, otherwise any such replacement or change shall be invalid.

(6) A bank or branch office of a foreign bank is obligated to submit a proposal to the competent court to enter its licensed activities into the Business Register on the basis of the banking licence within ten days of the date when the licence became legally effective, and shall deposit with the National Bank of Slovakia a transcript from the Business Register within ten days of a legally effective decision of the court to make the entry into the Business Register or to change the entry in the Business Register.

Article 28

(1) Prior approval of the National Bank of Slovakia is required:

a) acquire qualified interest in a bank or exceed qualified interest in a bank so that the interest in share capital of the bank or voting rights of the bank reaches or exceeds 20 %, 30 % or 50 % or so that the bank becomes a subsidiary of a person which acquires such interest in one or several operations directly, or by action in concert; for the calculation of such interests, the voting rights shall not be taken into account or such shares which a securities dealer, a foreign securities dealer, another bank or a foreign credit institution maintain as a result of underwriting or placing of financial instruments on a firm commitment basis,27g) unless such rights are exercised or performed otherwise to interfere with the management of the bank, and provided that they are transferred by the securities dealer, by the foreign securities dealer, another bank or the foreign credit institution to a third party within a year upon their acquisition,,

b) consolidate, merge, or split a bank, including a merger of another legal entity with the

bank, or to return its licence, as well as to reduce the bank's registered capital, unless the reduction is due to a loss,
c) to dissolve a bank for reasons other than those specified in letter b) or to change its legal form; in this case, the bank is obligated to return its licence on the date specified in the decision on prior approval,
d) sell a bank, branch office of a foreign bank, or their parts28,
e) for using the shares issued by a bank as the subject of security on obligations of the holder of these shares or of another person except for cases where the subject of such security are shares accounting on the whole for less than 5% of the bank's registered capital in one or certain operations directly or through concerted action.
(2) For prior approval pursuant to paragraph 1 to be granted, the conditions specified in Article 7, paragraphs 2 and 4, must be met as appropriate; for prior approval to be granted, transparent and credible origin21a, sufficient volume and suitable structure of finances must be documented to carry out the operation for which prior approval is sought. Prior approval according to paragraph 1 a) may be issued only provided that it has not been proved that the acquisition or exceeding of the interest by the acquirer will adversely affect the ability of the bank to further fulfil the obligations requested by this Act. Splitting, consolidating, merging, or dissolving a bank, including merging another legal entity with a bank, or the sale of a bank or its part,28 may not be to the detriment of the creditors of the bank; this applies equally to the sale of branch office of a foreign bank or its part.28
(3) The provisions of a separate regulation29 shall not be prejudiced by the provision of paragraph 1 above.
(4) It is only possible to proceed on the basis of a prior approval granted pursuant to paragraph 1 for one year, unless the decision stipulates a shorter period or unless a different period is set by the National Bank of Slovakia.
(5) Without prior approval of the National Bank of Slovakia as stipulated in paragraph 1 above, all legal acts requiring prior approval shall be null and void. Every legal act is also invalid that has been carried out on the basis of a prior approval granted on the basis of false data. This does not apply if acquiring or increasing the qualified participation in the bank according to (1) (a) indirectly as a result of a foreign stabilisation measure of the state aiming at the alleviation of the impacts of the global financial crisis and the sale of the branch of a foreign bank or part of it according to (1) (d), by which the foreign stabilisation measure of the state aims at the alleviation of the impacts of the global financial crisis.
(6) An application pursuant to paragraph 1, letter a), above shall be submitted by persons which have decided to acquire or increase qualified interest in a bank, or a person which has decided to become the parent company of the bank. An application pursuant to paragraph 1, letters b) and c), shall be submitted by the bank and in the event of consolidation or merger, such an application shall be submitted jointly by the legal person and the bank to be consolidated or merged. An application pursuant to paragraph 1, letter d), shall be submitted jointly by the bank or the foreign bank and the person acquiring the bank, branch office of the foreign bank or its part. An application pursuant to paragraph 1, letter e), shall be filed by the holder of shares who wants to use them as the subject of security on his or her obligations.
(7) The particulars of an application for prior approval pursuant to paragraph 1, and the documents to be attached to such application, shall be stipulated by the National Bank of Slovakia in a decree23 promulgated in the Collection of Laws.
(8) Each person shall be obligated to provide to the National Bank of Slovakia at its written request and within a deadline it sets information necessary in order to determine whether an action has taken place that requires prior approval pursuant to paragraph 1, above all information about holders of shares in commercial companies or co-operatives, and information about agreements on the exercise of voting rights.
(9) A person intending to cancel qualified interest in a bank or to reduce its share in the share capital or voting rights of a bank below 20 %, 30% or 50%, or so that the bank ceases to be its subsidiary company, must notify the fact to the National Bank of Slovakia in

advance in writing.
(10) A bank is obligated to notify the National Bank of Slovakia in writing without delay of any facts specified in paragraph 1, letters a) to e), and paragraph 9.
(11) A bank shall be obligated, when requested, to inform the National Bank of Slovakia in writing without delay about its shareholders and other persons which exercised voting rights at a general meeting of the bank; a bank shall, when requested, be obligated to inform the Ministry in writing about its shareholders.
(12) For the purposes of this Act, "concerted action" means:
a) any action aimed at the acquisition of a share in the bank's registered capital or voting rights taken by:
1. a legal person and its associates or members, statutory bodies, members of statutory or supervisory bodies, employees of the legal person who directly report to the statutory body or its member, the chief executive officers of an organisational unit entered in the Corporate Register, procurators, liquidators, receivers or trustees of this legal person and persons standing in close relationship with them30 or between any of these legal or natural persons,
2. persons who have concluded an agreement on concerted exercise of voting rights in a bank in matters concerning its management regardless of the form of such agreement or whether it is valid or not,
3. a controlling and controlled person or between persons controlled directly or indirectly by the same controlling person,
4. closely related persons30, b) any action of two or more legal persons aimed at the acquisition of a share in the
bank's registered capital or voting rights, where one and the same natural person is the statutory body, a member of the statutory body, a member of the supervisory body, a procurator, or holds at least 5 percent of the legal person's registered capital or voting rights, or has the ability to exercise for other reasons influence over the management of these legal entities that is comparable to influence arising from such share.
(13) For the purposes of concerted actions as specified in paragraph 12, a controlling person means any person who holds a majority share in a legal person's voting rights as a result of holding an interest in the legal person to which the majority of voting rights is attached or because, on the basis of an agreement with other persons, this person is able to exercise the majority of voting rights.
(14) For the purposes of this Act, a controlled person means a legal person, in which the controlling person has the position defined in paragraph 13 above.
(15) If, by acquiring a stake pursuant to paragraph 1 letter a), a bank becomes part of a consolidated group pursuant to Articles 44 to 49, which also includes a financial holding institution, or if it becomes part of a financial conglomerate pursuant to Articles 49a to 49o, which also includes a mixed financial holding company, the granting of prior approval by the National Bank of Slovakia shall be conditional upon the presentation of documents certifying the professional qualification and credibility of all natural persons who are members of the statutory body of this financial holding institution or mixed financial holding company.
(16) The professional qualification of persons referred to in paragraph 15 means adequate knowledge of the financial sector and experience in the area of finance. The verification of the credibility of persons referred to in paragraph 15 shall also be governed by Article 7, paragraph 15.
(17) If the acquirer referred to in paragraph 1 a) is (a) a foreign credit institution, foreign securities dealer or a foreign management company with a licence granted in another Member State, an insurance company from another Member State, reinsurance company from another Member State, b) a parent company of entity as per letter a), or c) a natural person or legal person controlling an entity as per letter a), when considering the fulfilment of conditions according to paragraph (2) the National Bank of Slovakia shall consult it with the competent authorities of other Member States.
(18) If the acquirer of a share in a foreign bank from a Member State is a credit

institution, insurance company, reinsurance company, securities dealer or a management company having its seat in the territory of the Slovak Republic, the National Bank of Slovakia shall discuss, with the competent supervisory authority of the Member State pursuant to Article 7a par. 1 a) the fulfilment of conditions for acquisition of shares in a foreign bank based in the territory of a Member State according to regulations of the Member State.
(19) The subject of consultation as per par. 17 and 18 shall be timely disclosure of relevant information or required information for examining of the fulfilment conditions for the acquisition of the relevant shares in a bank or in a foreign bank. The National Bank of Slovakia shall provide the competent supervisory authority of a Member State, on its demand, with all required information, and at its own instance, with all relevant information. The National Bank of Slovakia shall ask the competent supervisory authority of a Member State for all required information.
(20) A decision on the prior approval pursuant to paragraph 1 a) shall include views or reservations reported to the National Bank of Slovakia by the competent authority of another Member State, to the supervision of which the person acquiring a share in a bank as per par. (1 a) is subject.
(21) The National Bank of Slovakia shall confirm the delivery of an application for prior approval as per par. 1 a) in writing within two business days of the delivery of such application to the acquirer; the same applies also to any subsequent delivery of the particulars of the application, which have not been delivered together with the application. The National Bank of Slovakia may not later than on the 50th business day of the period for examination of applications pursuant to par. 2 demand additional information in writing, which is necessary to examine applications for prior approval pursuant to par. 1 a). For a period from the date of sending a demand of the National Bank of Slovakia for additional information up to delivery of an answer, proceedings on the prior approval shall be suspended, however, maximum for 20 business days. If the National Bank of Slovakia demands additional information or the specification of information, the period for decision on the prior approval shall not be suspended. The period for the suspension of proceedings according to the third sentence may be extended by the National Bank of Slovakia up to 30 business days, if the acquirer has its registered office or is governed by legal regulations of a non-Member State, or if the acquirer is not a securities dealer, asset management company, credit institution, insurance company, reinsurance company or a similar institution from the Member State.
(22) The National Bank of Slovakia shall decide on an application for prior approval made pursuant to paragraph 1 a), within 60 business days of a written confirmation of delivery of the application and upon delivery of all particulars of the application. If the National Bank of Slovakia fails to decide in this period, it appears that the prior approval has been issued. The National Bank of Slovakia shall inform the acquirer of the date when the period for the issuance of a decision lapses in confirmation of delivery pursuant to par. 1. If the National Bank of Slovakia decides to reject the application for prior approval under par. 1 a), they shall send this decision in writing to the acquirer within two business days of such decision, however, before the lapse of the period according to the first sentence.

Article 89
(1) A bank or branch office of a foreign bank shall be obligated to demand proof of identity from their clients in each transaction, except for the transactions specified in paragraph 4; a client shall be obligated to comply with such requests of a bank or branch office of a foreign bank in each transaction. A bank or branch office of a foreign bank shall be obligated to refuse to conduct transactions for clients on an anonymous basis.

(2) For the purposes of paragraph 1, the identity of a client may be demonstrated by a document of identity according to separate legal provisions on identity documents73) or by his signature, provided that the client is known in person and the signature is identical beyond any doubt with the client's specimen signature kept at the bank or branch office of a foreign bank and taken after the client had proved his identity by an identity document; in case of transactions concluded through electronic

devices, a client shall be identified by his personal identification number or a similar code assigned to the client by a bank or branch office of a
foreign bank, and an authentication code agreed by a bank or branch office of a foreign bank with the client, or an electronic signature pursuant to a separate law. In case of a juvenile client who has no identity document, the identity of his legal representative shall be verified and a document is presented which evidently demonstrates that he is authorised to act for and
on behalf of the client, as well as the birth register certificate of the juvenile client concerned.

(3) A bank or branch office of a foreign bank shall be obligated in every transaction worth more than EUR 15,000 to determine the ownership of funds a client used for the transaction. For the purposes of this provision, ownership of funds shall be determined by a binding written statement of the client in which the client is obligated to declare whether these funds are his property and whether he is conducting the transaction for his own account; this written statement by the client that he is the owner of the funds may be a part of a written agreement concluded between the bank or branch office of a foreign bank and the client in connection with the agreed transaction. If the funds are owned by another person or if the transaction is conducted for the account of another person, the client's statement must specify the name, surname, birth register number or date of birth, and permanent residence of the natural person or the name, registered office, and identification number, if assigned, of the legal person, who is the owner of the funds and for whose account the transaction is conducted; in this case the client is also obligated to deliver to the bank or branch office of a foreign bank a written approval from the natural person or legal person concerned to use his funds for the conducted transaction and to execute the transaction for his account. The obligation to deliver a written approval according to the preceding sentence shall not apply to the National Bank of Slovakia, a bank, branch office of a foreign bank, the stock exchange, the commodity exchange, the central depository of securities, a securities dealer, branch office of a foreign securities dealer, an investment services intermediary, an insurance company, branch office of a foreign insurance company, reinsurance company, a branch office of a foreign reinsurance company, an asset management company or branch office of a foreign asset management company, if in a binding written statement delivered in accordance with this paragraph they state that they conduct transactions exclusively for their own account or for the account of their clients pursuant to a separate law6 and that in conducting thetransactions they exclusively use their own funds or their clients’ funds which have been entrusted to them and which they manage on behalf of their clients pursuant to a separate law; this shall equally apply to a pension management company, complementary pension company and a house custodian according to a separate regulation73a if they are obliged persons pursuant to a separate regulation. Neither shall the obligation to deliver a written approval pursuant to this paragraph apply to a foreign bank based in a Member State, a foreign electronic money institution based in a Member State, nor to a foreign financial institution based in a Member State. If the client fails to meet the requirements laid down in this paragraph, the bank or branch office of a foreign bank shall decline to execute the requested transaction.

(4) If a customer in the following cases uses an amount not exceeding EUR 2,000, a bank or branch of a foreign bank shall not, unless otherwise provided by a separate law, be required to demand proof of the customer's identity:
a) in transactions carried out through currency exchange machines;
b) within the provision of financial services at a distance;
c) when using a deposit other than to establish a deposit

(5) The provisions of paragraphs 1 and 3 are without prejudice to the duties of banks and branch offices of foreign banks pursuant to a separate regulation21a ;equally, this shall not affect the right of banks and branch offices of foreign banks to examine the identity through
third parties according to a separate law.

Article 91
(1) Subject to bank secrecy shall be all information and documents on matters

concerning the clients of a bank or branch office of a foreign bank which are not publicly available, especially information on transactions, account and deposit balances. A bank or branch office of a foreign bank shall be obligated to keep such information confidential and protect it against disclosure, misuse, damage, destruction, loss or theft. Information and documents on matters covered by bank secrecy may be disclosed by a bank or branch office of a foreign bank to a third person only subject to prior written consent of the client concerned or upon his written instruction for the purposes and subject to other conditions stated in such consent or instruction, unless stipulated otherwise by this Act. In return for payment of practical costs, a client shall have the right to obtain information kept on him in the database of a bank or branch office of a foreign bank, and to receive a transcript of such information. Disclosure of information in summary form where the name of a bank or branch office of a foreign bank, the name and surname of a client is not evident, is not considered a violation of bank secrecy.

(2) For the purposes of this part of Act, a person is deemed a client of a bank or branch office of a foreign bank, if the bank or branch office of a foreign bank has negotiated a transaction with him, even if the transaction eventually did not take place, a person who ceased to be a client of a bank or branch office of a foreign bank, as well as a person about whom a bank or branch office of a foreign bank received data hereunder from another bank or branch office of a foreign bank, data from the register of loans and guarantees according to Article 38, data from the register of clients according to Article 92, paragraph 7 or data from the joint register of banking information according to Article 92a.

(3) A bank or branch office of a foreign bank shall be obligated to submit to the
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Ntional Bank of Slovakia a report on all facts that are subject to bank secrecy, also without the client's consent, to persons Commissioned to exercise supervision, including invited persons15a and persons specified in Article 6, paragraph 7 and in Article 49, paragraph 2 and auditors during assignments stipulated by this Act or a separate law,40 and to the Deposit Protection Fund to perform tasks pursuant to a separate regulation;77 a home savings bank shall disclose such information also to persons Commissioned to control the use of government bonuses in home savings78, and a mortgage bank shall disclose such information to its mortgage controller and his deputy and to persons Commissioned to control the use of government bonuses in mortgage transactions.

(4) A report on matters concerning a client that are subject to bank secrecy shall be submitted by a bank or branch office of a foreign bank without the prior approval of the client concerned solely upon request made in writing by:

a) a court of justice, including a notary public in the capacity of a court Commissioner, for the purposes of civil proceedings to which the client of the bank or branch of a foreign bank is a party, or the subject of which is the property of the client of the bank or branch office of a foreign bank,79

b) a law enforcement authority or court for the purposes of criminal prosecution,80

c) a tax authority,80a custom authority80b or municipality being the tax administrator80c, for the purposes of tax or customs proceedings to which the client of the bank or branch of foreign bank is a party pursuant to a separate regulation,81 including a client‘s participation in exacting tax arrears in tax or execution proceedings or exacting customs debt in customs execution proceedings,

d) a financial control authority performing financial control pursuant to a separate regulation82 of the client of the bank or branch office of a foreign bank,

e) a court executor assigned to perform execution pursuant to a separate regulation,67 or, for the purpose of auditing the accounts and execution proceedings of an executor who has been relieved from duty pursuant to a separate law,82a by the Slovak Chamber of Executors,

f) a state administration authority for the purposes of executing a decision83 imposing an obligation on the client of the bank or branch office of a foreign bank, or on a creditor of the client of the bank or branch office of a foreign bank, to make a certain payment,

g) the criminal police and financial police services of the Police Corps for the purposes of detecting criminal acts, the detection of and search for their perpetrators,84) and especially in the case of tax evasion, illegal financial operations, money laundering and financing terrorism,84
h) the Ministry in the course of control exercised hereunder or according to a separate regulation,85
i) receiver and preliminary receiver in bankruptcy, restructuring, composition or debt restructuring proceedings or supervising administrator conducting supervisory administration if matters related to the client of the bank or branch office of a foreign bank whose estate is the subject of bankruptcy, restructuring, composition or debt restructuring proceedings or over whom supervisory administration pursuant to a separate regulation58 has been introduced are affected,
j) a competent state authority for the purposes of discharging obligations arising from an international treaty binding upon the Slovak Republic86, where the discharge of obligations according to this treaty may not be declined on account of bank secrecy,
k) the National Security Office, the Slovak Information Service, the Military Intelligence and the Police Corps for the purposes of performing security checks within their fields of the competence in accordance with a separate legal provision,86a)
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l) the Office for Personal Data Protection for the purposes of supervising pursuant to a separate law37 the processing and protection of personal data of a client of a bank or a branch office of a foreign bank,
m) the Supreme Control Office of the Slovak Republic for the purposes of an inspection pursuant to a separate law86b of a client of a bank or a branch office of a foreign bank,
n) the Judicial Treasury for the purposes of collecting a judicial claim under a separate law86c from a client of a bank or the branch office of a foreign bank.
o) the Slovak Information Service for the purposes of the fight against organised criminal activity and terrorism pursuant to a separate regulation.86d
p) a client assistance agency to the necessary extent required for review of information concerning the repayment of liabilities from loans and the financial and property circumstances of the clients applying for inclusion or included in the assistance scheme for clients who have lost their ability to repay a loan for housing as consequence of the economic crisis.
(5) A written request made pursuant to paragraph 4 shall contain information which enable a bank or branch office of a foreign bank to identify the matter in question, in particular a precise identification of the person on which data is requested, and the extent of requested data; such identification details need not be stated in a written request made according to paragraph 4, letters b) and g), and o). A written request made according to paragraph 4, letter a), must include an authorisation by the court Commissioning a notary as a court Commissioner; a written request made according to paragraph 4, letter e), must contain an authorisation by the court Commissioning a court executor to conduct enforcement. A written request made according to paragraph 4, letter i) must contain a decision of the bankruptcy court on the appointment to the office of an administrator or a preliminary administrator or a reference to the Commercial Bulletin in which such decision has been published; if this refers to a written request made by the supervising administrator, the request must contain a reference to the Commercial Bulletin in which the notification of the introduction of the supervisrory administration was published. The court’s decision on such a delegation or appointment must be delivered in the original or as a copy certified in accordance with separate regulations50 if it has not been previously published in the Commercial Bulletin. Subsequent to an agreement with a bank or branch office of a foreign bank, it is possible to also submit written requests as stipulated in Paragraph 4 by electronic means, using an electronic signature, a guaranteed electronic signature or other ways of verifying the applicant’s identity as agreed in writing; in such case, it is not necessary to present a court decision on delegation or appointment.

(6) Disclosure of information needed for proper provision of payment services and settlements through a designated legal person9 is not deemed a violation of bank secrecy.
(7) Compliance with the obligation of banks and branch offices of foreign banks to report suspicious banking transactions pursuant to a separate law,21a shall not be deemed a violation of bank secrecy. The same applies to the obligation of banks and branch offices of foreign banks to notify, pursuant to a separate law,80) the law enforcement authorities of any suspicion of a criminal act committed or contemplated in connection with matters which are otherwise subject to bank secrecy.
(8) A bank and branch office of a foreign bank shall be obligated to provide the Ministry, within the deadlines set thereby, with a written list of clients subject to international sanctions imposed according to a separate regulation 86a); the provided list must also contain 134
account numbers and account balances of these clients.
(9) A bank or branch office of a foreign bank can also send the report as stipulated in Paragraph 4 by electronic means.

ANNEX XV: EXTRACTS FROM THE ACT OF 4 NOVEMBER 2009 ON PAYMENT SERVICES AND ON AMENDMENTS TO CERTAIN ACTS

Article 64

(1) A decision on the granting or a change of an authorisation for payment services shall be made by National Bank of Slovakia on the basis of a written application. An application for authorisation for payment services shall be filed by the applicant that wishes to become a payment institution and an application for a change in the authorisation shall be filed by the applicant that is the payment institution.

(2) Granting of an authorisation pursuant to Article 1 shall be subject to the applicant satisfying the following requirements:

(a) the payment institution is a legal entity established as a business company liable to the obligation to create registered capital;[45)]

(b) the minimum paid-up contribution to the payment institution's registered capital shall be

1. EUR 20,000 if the payment institution is to provide only the payment service specified in Article 2 (1) (e); 2. EUR 50,000 if the payment institution is to provide only the payment service specified in Article 2 (1) (f);

3. EUR 125,000 if the payment institution is to provide any of the payment services specified in Article 2 (1) (a) to (d) and (g).

(c) a transparent, credible and legal origin of the monetary contribution to registered capital, as well as other sources

of funds of the payment institution;

(d) suitability of persons with qualifying participation in the payment institution and transparency of those persons' relationships with other persons, particularly transparency of their holdings in registered capital and voting rights of other legal entities;

(e) professional competence and credibility of natural persons nominated as members of the statutory body, confidential clerk, members of the board of supervisors, managers and head of an internal control body;

(f) transparency of the group with close links to which the person with qualifying participation in the payment institution belongs;(g) the close links within the group referred to in Subparagraph (f) do not prevent the exercise of supervision of the payment institution;

(h) the law, the method of its application and its enforceability in the state within the territory of which the group has close links does not hinder the exercise of supervision;

(i) the articles of association of the payment institution;

(j) adequate and proportionate technical systems, resources and procedures for the sound provision of payment services;

(k) the payment institution's registered office, head office and the provision of payment services must be located in the territory of the Slovak Republic;

(l) proportionate, appropriate, sound and adequate organisational prerequisites for the payment institution's business, including prudential rules and rules of its operation;

(m) material and technical provisions for the pursuit by the payment institution of its business;

(n) the payment institution's general business terms and conditions, which must comply with this Act;

(o) persons with qualifying participation in the payment institution must provide evidence proving their financial ability to overcome any possible adverse financial situation of the applicant;

(p) systems to protect funds of payment service users pursuant to Articles 77 (7) and (8).

(3) An application for authorisation pursuant to Paragraph 1 shall contain:

(a) the payment institution's business name, registered address, identification number, amount of registered capital and scope of business or activity;

(b) a list of persons with qualifying participation in the payment institution and the amount of the qualifying holding; information in the list shall include:

1. the full name, permanent address [21)] in the Slovak Republic or usual address abroad, if the person does not have permanent residence in the Slovak Republic (hereinafter "permanent address"), nationality and date of birth in case of a natural person;

2. the full name, permanent address, nationality, date of birth, business name, address of the place of business and the identification number, if any, in case of a natural person being an entrepreneur;
3. the business name, registered office and identification number in case of a legal entity;
(c) the full name, permanent address, nationality, date of birth of the natural person nominated as member of the statutory body, confidential clerk, member of the board of supervisors, manager and head of the internal control body, and information evidencing his credibility and professional competence;
(d) the type of envisaged payment services;
(e) an applicant's declaration that the submitted application and its enclosures are complete, correct, true and current;
(f) the place and date of the preparation of the application and the officially authenticated signature of the applicant;
(g) the business name and office and identification number, or the full name, permanent address, nationality and date of birth of the person nominated as auditor if the applicant has a contract with an auditor.[46)]
(4) Enclosed with the application pursuant to Paragraph 3 shall be:
(a) the applicant's excerpt from the Commercial register;[35)]
(b) a document evidencing that the monetary contribution to registered capital pursuant to Article 64 (2)(b) has been paid up in full;
(c) the deed of foundation, foundation agreement or memorandum of association;
(d) draft articles of association of the payment institution;
(e) a concise professional curriculum vitae and a document evidencing the level of education and years of practice, and documentary proof of credibility of the persons referred to in Article 2 (e), not older than three months, and a solemn declaration of their compliance with the requirements laid down in this Act;
(f) a draft of organisational structure and draft of organisational regulations of the payment institution;
(g) draft internal rules regulating the governance mechanisms and internal control mechanisms, and internal rules regulating the mechanisms to ensure protection against the laundering of proceeds from criminal activity and protection against the financing of terrorism;
(h) a proposal of procedures for the preparation, entering into, execution and settlement of transactions, including a pricing mechanism and rules if the payment institution wishes to execute or intermediate transfers of funds in a foreign currency the subject of which is purchase or sale of funds in one currency for funds in another currency at own account or a third-party account;
(i) a business plan, based on the payment institution's proposed business strategy, including a forecast budget calculation for the first three fiscal years that demonstrates that the payment institution is able to employ the appropriate and proportionate technical systems, resources and procedures to provide the payment services soundly;
(j) a detailed description of the payment institution's participation in the payment system;
(k) a detailed description of the intended use of payment service agents and branches in the provision of payment services, if the applicant plans to use payment service agents and branches;
(l) a detailed description of outsourcing arrangements, if the payment institution plans to employ such arrangements;
(m) a description of measures to protect funds of payment service users pursuant to Articles 77 (7) and (8);
(n) general business terms and conditions;
(o) documentary evidence credibly demonstrating and proving the financial ability of the payment institution's shareholders or members to overcome any possible adverse financial situation.
(5) the National Bank of Slovakia shall decide on the application for the granting or a change of an authorisation no later than three months from the date on which the complete application for authorisation is filed.
(6) National Bank of Slovakia shall refuse an application for authorisation pursuant to Paragraph 1 if the applicant has failed to satisfy or prove satisfaction of any of the requirements in Paragraph 2, or to file the application in accordance with Paragraphs 3 and 4. Refusal of an application shall not be

justified by the economic needs of the market. Refusal of an application for the granting of an authorisation may be justified by maintenance of stability of the payment system.

(7) The requirements in Paragraph 2 must be complied with continuously throughout the validity term of the authorisation.

(8) Before a payment institution commences the provision of payment services, it shall credibly prove to National Bank of Slovakia its technical, organisational and personal readiness for sound and safe provision of the payment services, existence of a functional, efficient and prudent management and control system of the payment institution.

(9) The payment institution may commence the pursuit of the activities listed in the authorisation only after receipt of notification from the National Bank of Slovakia on the satisfaction of requirements in accordance with Paragraph 8.

Article 65

(1) The authorisation pursuant to Article 64 (1) shall be granted for an indefinite period of time and shall not be transferable to another person nor assignable to a legal successor of the payment institution.

(2) In addition to the general essentials of a decision pursuant to the specific law,[47)] the statement part of the decision authorising the provision of payment services shall also contain:

(a) a list of the payment services to be lawfully provided by the payment institution;

(b) the full name, permanent addresses and dates of birth of the natural persons who shall act as members of the statutory body, members of the board of supervisors or confidential clerks.

(3) The authorisation pursuant to Article 64 (1) may also lay down requirements that must be satisfied by the payment institution prior to taking up the payment services business or complied with in the course of the pursuit of the payment services business.

(4) The payment institution shall without undue delay notify National Bank of Slovakia in writing of any change in the information specified in Paragraph 2(b) and on any change in any other information and matters that are decisive for the granting of authorisation.

(5) The payment institution shall file with the competent court of registration a petition for registration of the authorised activities with the Commercial register within 30 days from the date the authorisation comes into force. The payment institution shall submit to National Bank of Slovakia its excerpt from the Commercial register within 10 days from the date the decision of the court of registration on the registration entry or a change in the registration entry in the Commercial register becomes final.

(6) A payment institution and a branch of a foreign payment institution shall be an obligated person pursuant to the specific law.[48)]

Article 66

(1) Prior approval from the National Bank of Slovakia shall be required for:

(a) acquiring or exceeding an amount of holding in the payment institution’s registered capital or voting rights of 10%, 20%, 33%, 50% and 66% through a single transaction or a series of transactions or by concerted action;

(b) election or designation of persons nominated as members of the payment institution’s statutory body, board of supervisors or confidential clerk, appointment of a manager or a manager responsible for internal control;

(c) a change in the articles of association of the payment institution;

(d) renouncement of the authorisation for payment services;

(e) dissolution of the payment institution with liquidation;

(f) change of the payment institution’s business name or office.

(2) Granting of prior approval:

(a) pursuant to Paragraph 1(a) shall be subject to the satisfaction of requirements in accordance with Article 64 (2) (c) (d) (f) and (h) and provision of evidence of a transparent and credible origin, adequacy and appropriate structure of funds for such action;

(b) pursuant to Paragraph 1(b) shall be subject to satisfaction of requirements in accordance with Article 64 (2)(e);

(c) pursuant to Paragraph 1(c) shall be subject to submission of a draft amendment to the articles of association in accordance with this Act;
(d) pursuant to Paragraph 1(d) shall be subject to submission of credible documents and a written declaration of the payment institution evidencing that by the date of renouncement of the authorisation it shall fulfil its liabilities to its payment service users;
(e) pursuant to Paragraph 1(e) shall be subject to submission of the resolution of the payment institution's statutory body on the proposed dissolution,[49]) the extraordinary financial statements[29]) and any other document evidencing the facts related to the dissolution of the payment institution.
(3) An application for prior approval shall be filed:
(a) by the legal entities or natural persons intending to acquire a holding in the payment institution's registered capital in cases pursuant to Paragraph 1(a);
(b) by the payment institution or a shareholder or member with qualifying participation in the payment institution which is, pursuant to the payment institution's articles of association, authorised to such legal act in cases pursuant to Paragraph 1(b);
(c) by the payment institution in cases pursuant to Paragraph 1 (c) to (e).
(4) National Bank of Slovakia shall decide on an application referred to in Paragraph 1 (a) and (c) to (e) within three months from delivery of the complete application. National Bank of Slovakia shall decide on an application referred to in Paragraph 1 (b) within 15 days from delivery of the complete application.
(5) In its decision on the granting of prior approval pursuant to Paragraph 1 (a) and (c) to (e), National Bank of Slovakia shall determine the time limit upon expiry of which the prior approval shall lapse if the act for which the prior approval was granted is not carried out. Such time limit shall not be shorter than three months and longer than one year from the date at which the decision becomes final.
(6) National Bank of Slovakia may, for the purposes of a proceeding on the application for prior approval, request the payment institution to submit an additional report prepared by an auditor or auditing
(7) Within 10 days from registration of changes in the Commercial register or deletion of information entered in the Commercial register for which the National Bank of Slovakia has granted its prior approval,
(8) Execution of any act for which prior approval from National Bank of Slovakia is required under this Act without such approval shall render that act void.

Article 67

(1) The authorisation granted to a payment institution pursuant to Article 64 (1) shall lapse:
(a) on the date of dissolution of the payment institution on grounds other than withdrawal of the authorisation granted under Article 64 (1);
(b) on the date at which the decision to declare bankruptcy over property of the payment institution or the decision to dismiss the bankruptcy proceeding or cancel bankruptcy on grounds of insufficiency of assets of the payment institution under the specific law[50)] becomes final;
(c) on the date the authorisation is renounced; an authorisation may be renounced only in writing and with prior approval granted in writing in accordance with Article 66 (1) (d);
(d) if the payment institution has failed to file a petition for its registration in the Commercial register within the time limit specified in Article 65 (5).
(2) the National Bank of Slovakia shall have the right to withdraw an authorisation granted under Article 64 (1) if
(a) it was granted on the basis of information which is incomplete or false;
(b) major changes have occurred in matters that are decisive for the granting of the authorisation;
(c) the payment institution has repeatedly or grossly violated the conditions on which the authorisation was issued;
(d) the payment institution did not commence its activity for which the authorisation is granted within 12 months from the granting;
(e) the payment institution has ceased the activity for which the authorisation is granted for a period of six consecutive months;
(f) the payment institution hinders the exercise of supervision; or

(g) sanctions imposed under this Act or a specific law[39)] have failed to result in correction of the irregularities established.
(3) National Bank of Slovakia shall withdraw the authorisation granted under Article 64 (1) from the payment institution if the payment institution's engagement in the payment services business might jeopardise stability of the payment system.
(4) In cases referred to in Paragraph 2 (d) or (e), the payment institution shall apply to National Bank of Slovakia for a change in or renouncement of the authorisation.
(5) A person with qualifying participation in the payment institution or the payment institution itself shall without undue delay notify the National Bank of Slovakia in writing of the matters referred to in Paragraph 1 (b) and in Paragraph 2 (b), (d) and (e).
(6) National Bank of Slovakia shall publish a notice of lapse or withdrawal of an authorisation in the Journal of the National Bank of Slovakia or on its website.
(7) As of the date of lapse of the authorisation pursuant to Paragraph 1 or the time of delivery of the decision on withdrawal of the authorisation pursuant to Paragraph 2, the legal entity whose authorisation was withdrawn or lapsed shall not be allowed to provide payment services and carry out any other activities, except those that are necessary for the settlement of its claims and liabilities or business operations pursuant to Article 77 (1)(c); such legal entity shall carry out the payment services to settle the existing claims and liabilities through an account opened with another bank or payment institution.
(8) When carrying out activities pursuant to Paragraph 7, the legal entity from which the authorisation granted under Article 64 (1) was withdrawn or lapsed shall act as payment institution within the meaning of this Act until final settlement of its claims and liabilities. The obligation to submit financial statements, statistical statements and reports concerning business requirements and prudential requirements for payment institutions shall not apply to such legal entity.
(9) National Bank of Slovakia shall send the decision on withdrawal of the authorisation granted pursuant to Article 64 (1) for publication in the Commercial Journal[36)] within 30 days from the date on which the decision becomes final.
(10) Where the decision on withdrawal of the authorisation granted pursuant to Article 64 (1) is issued to a legal entity having a branch in another Member State, the National Bank of Slovakia shall notify that fact to the supervisory authority of the state where the legal entity from which the authorisation was withdrawn has its branch.
(11) Withdrawal of an authorisation granted pursuant to Article 64 (1) shall be registered in the Commercial register[35)] within 15 days from the date the decision on withdrawal of the authorisation granted pursuant to Article 64 (1) becomes final. National Bank of Slovakia shall send the decision, accompanied by a petition for the registration, to the court keeping the Commercial register.
(12) When the decision on withdrawal of the authorisation granted pursuant to Article 64 (1) becomes final, National Bank of Slovakia shall without undue delay file with the competent court a petition for dissolution and liquidation of the payment institution and for appointment of a liquidator. The court shall not determine a time limit before rendering the decision on dissolution of the payment institution for remedy of the reason on grounds of which the dissolution was proposed.[51)]
(13) National Bank of Slovakia shall dismiss the proceeding on withdrawal of an authorisation granted pursuant to Article 64 (1) if bankruptcy has been declared.

Article 81

An electronic money institution is a legal entity having its registered office in the territory of the Slovak Republic that is authorised to issue electronic money on the basis of an authorisation to issue electronic money:
(a) to the full extent, or
(b) to a limited extent pursuant to Article 87.

Article 82

(1) Decision on the granting or a change of an authorisation to issue electronic money shall be made by the National Bank of Slovakia on the basis of an application filed in writing. An application for authorisation to issue electronic money shall be filed by the applicant wishing to become an electronic money institution and an application for a change in the authorisation shall be filed by the applicant being the electronic money institution.
(2) Granting of an authorisation to issue electronic money shall be subject to satisfaction by the applicant of the following requirements:
(a) the electronic money institution is a joint stock company[59)] in case of an electronic money institution pursuant to Article 81(a), or a legal entity established as business company liable to the obligation to create registered capital [45)] in case of an electronic money institution pursuant to Article 81(b);
(b) the paid-up contribution to the electronic money institution's registered capital is at least EUR 1,000,000;
(c) a transparent, credible and legal origin of the monetary contribution to registered capital, as well as other sources of funds of the applicant and its shareholders or members;
(d) suitability of persons with qualifying participation in the payment institution and transparency of those persons' relationships with other persons, particularly transparency of their holdings in registered capital and voting rights;
(e) professional competence and credibility of natural persons nominated as members of the statutory body, confidential clerk, members of the board of supervisors, managers and head of an internal control body;
(f) transparency of the group with close links to which the shareholder with qualifying participation in the electronic money institution belongs;
(g) the close links referred to in Subparagraph (f) do not prevent the exercise of supervision of the electronic money institution and its operation;
(h) the law, the method of its application and its enforceability in the state within the territory of which the group has close links does not hinder the exercise of supervision;
(i) the applicant's articles of association;
(j) adequate and proportionate technical systems, resources and procedures for the sound issuing and administering of electronic money;
(k) the electronic money institution's registered office, head office and the issuing and administering of electronic money must be located in the territory of the Slovak Republic;
(l) an analysis of risks involved in the electronic money institution's operation, the risk management system and a safe risk management methodology;
(m) the arrangements to ensure protection of the electronic processing, storage and backup of data on payment service users and on the issuing of electronic money and to ensure protection of such data against disclosure, misuse, damage, destruction, loss or theft;
(n) shareholders or other members of the electronic money institution must provide evidence of their financial ability to overcome any possible adverse financial situation of the institution;
(3) An application for authorisation pursuant to Paragraph 1 shall contain:
(a) the applicant's business name, registered address, identification number, amount of registered capital and scope of business or activity;
(b) a list of shareholders with qualifying participation in the electronic money situation and the amount of the qualifying holding; information in the list shall include:
1. the full name, permanent address, nationality and date of birth in case of natural persons;
2. the full name, permanent address, nationality, date of birth, business name, address of the place of business and the identification number, if any, in case of a natural person being an entrepreneur;
3. the business name, registered office and identification number in case of a legal entity;
(c) the full name, permanent address, nationality and date of birth of the natural person nominated as member of the statutory body, confidential clerk, member of the board of supervisors, manager or head of the internal control body and information proving his or her credibility and professional competence;
(d) an applicant's declaration that the submitted application and its enclosures are complete, correct, true and current;

(e) the place and date of the preparation of the application and the officially authenticated signature of the applicant;
(4) Enclosed with the application pursuant to Paragraph 3 shall be:
(a) the applicant's excerpt from the Commercial Register ;[35)]
(b) a document evidencing that the monetary contribution to registered capital has been paid up;
(c) the deed of foundation, foundation agreement or memorandum of association;
(d) draft articles of association of the electronic money institution;
(e) a concise professional curriculum vitae and a document evidencing the level of education and years of practice, and documentary proof of credibility of the persons referred to in Article 2 (e), not older than three months, and a solemn declaration of their compliance with the requirements laid down in this Act;
(f) a draft of organisational structure and draft of organisational regulations of the electronic money institution;
(g) draft internal rules regulating the governance and internal control mechanisms of the electronic money institution, including risk management procedures;
(h) a business plan, based on the electronic money institution's proposed business strategy and supported by realistic economic calculations, including a forecast budget calculation for the first three fiscal years that demonstrates that the electronic money institution is able to employ the appropriate and proportionate technical systems, resources and procedures to issue and administer electronic money soundly; such plan shall indicate the total target sum of financial liabilities related to the issuing of electronic money for at least the first six months of the issuing of electronic money starting from the taking up of business;
(i) documentary evidence credibly demonstrating and proving the financial ability of the payment institution's shareholders or members to overcome any possible adverse financial situation of the applicant.
(5) The National Bank of Slovakia shall decide on the application for the granting or a change of an authorisation no later than three months from the date the complete application for authorisation is filed.
(6) The National Bank of Slovakia shall refuse an application for authorisation if the applicant has failed to satisfy or prove satisfaction of any of the requirements in Paragraph 2. Refusal of an application shall not be justified by economic needs of the market.
(7) The requirements in Paragraph 2 must be complied with continuously throughout the validity term of the authorisation.
(8) Before an electronic money institution commences the issuing of electronic money, it shall credibly prove to National Bank of Slovakia:
(a) its technical, organisational and personal readiness for sound and safe issuing of electronic money, existence of a functional, efficient and prudent management and control system, including a risk management system and an internal control and internal audit body;
(b) adjustment, where appropriate, of the total target sum of financial liabilities related to the electronic money issued, as indicated in the business plan submitted under Article 4(h);
(c) the regulation of relationship with members of the electronic money institution's statutory body through a contract in writing to which provisions of labour law[60)] do not apply;
Such contract in writing shall neither exclude nor limit the liability of the members of the electronic money institution's statutory body for any damage caused during the acting in its capacity owing to a breach of its obligation as a member of the statutory body arising from generally binding legal provisions or the electronic money institution's articles of association, internal legal rules and management rules.
(9) The electronic money institution may commence the pursuit of the activities listed in the authorisation to issue electronic money only after receipt of notification from the National Bank of Slovakia on the satisfaction of requirements in accordance with Paragraph 2.

Article 83

(1) The authorisation pursuant to Article 82 (1) shall be granted for an indefinite period of time and shall not be transferable to another person nor assignable to a legal successor of the electronic money institution.

(2) In addition to the general essentials of a decision pursuant to the specific law,[47)] the statement part of the decision authorising the issuing of electronic money shall also contain:

(a) the full name, permanent addresses and dates of birth of the natural persons who will act as members of the statutory body, members of the board of supervisors and confidential clerks;

(b) approval of the electronic money institution's articles of association.

(3) The authorisation may also lay down requirements that must be satisfied by the electronic money institution prior to taking up the issuing and administering of electronic money or complied with in the course of the issuing and administering electronic money.

(4) Article 82 shall apply mutatis mutandis to an application for a change in authorisation. The electronic money institution shall notify National Bank of Slovakia in advance of any changes in the facts on which the granting of authorisation was based.

(5) The electronic money institution shall file with the competent court of registration a petition for registration of the authorised activities with the Commercial Register within 30 days from the date the authorisation comes into force. The electronic money institution shall submit to National Bank of Slovakia its excerpt from the Commercial Register within 10 days from the date the decision of the court of registration on the registration entry or a change in the registration entry in the Commercial Register becomes final.

(6) The requirements in Paragraphs 1 to 5 and Article 82 must be complied with by the electronic money institution continuously throughout the validity term of the authorisation for the issuing of electronic money. The electronic money institution shall provide National Bank of Slovakia with credible evidence of the compliance in accordance with Paragraph 7.

(7) An electronic money institution or a branch of a foreign electronic money institution shall at no charge and in a timely manner prepare and submit to National Bank of Slovakia comprehensible and clear statements, notifications, reports and other information and documents on facts related to its economic and financial situation, property circumstances and the transacting and issuing of electronic money both at the request of National Bank of Slovakia and in accordance with the generally binding legal provision adopted pursuant to Article 96 (1) (c). Information in the statements, notifications, reports and other information and documents so submitted shall be complete, current, correct, true and provable. Where the statements, notifications, reports and other information and documents submitted fail to contain the required information or comply with the specified methodology, or where a reasonable doubt arises as to their completeness, currentness, correctness, veracity, provability or authenticity, the electronic money institution or the branch of a foreign electronic money institution shall, on request, submit to National Bank of Slovakia the supporting documents and explanations within the time limit defined by National Bank of Slovakia . An electronic money institution and a branch of a foreign electronic money institution shall be equally obligated to submit to National Bank of Slovakia its financial statements and, in cases to which the specific law applies, consolidated financial statements.

(8) An electronic money institution or a branch of a foreign electronic money institution having its registered office in another Member State, which has established a branch in the territory of the Slovak Republic, shall be an obligated person pursuant to the specific law.[48)]

ANNEX XVI: EXTRACTS FROM THE ACT ON INSURANCE

Article 4

(1) Under conditions specified by this Act, an authorisation to pursue insurance activities authorises the establishment of an insurance company or the establishment of a branch of a foreign insurance company and the pursuing of insurance activities of this insurance company or branch of a foreign insurance company within the scope specified in such authorisation.

(2) The commercial name of the insurance company must contain the expression ´insurance company´. Only a legal person having the authorisation to pursue insurance activities may use the expression ´insurance company´, its foreign-language translation or the expression the base of which contains such expression or its foreign-language translation. Other persons cannot use this specification within their commercial name, except of insurance companies established under special regulations.[1]) In the case that confusion could occur, the National bank of Slovakia may request detailing of the name of the insurance company or the branch of a foreign insurance company or another legal person; the insurance company, branch of a foreign insurance company or other legal person are obliged to comply with this request.

(3) No other person than an insurance company, insurance company from another Member State or branch of a foreign insurance company can pursue insurance activities, unless otherwise stipulated by this Act or a special Act[20]).

(4) A foreign insurance company can only pursue insurance activities in the territory of the Slovak Republic through its branch and only if it has been granted an authorisation to pursue insurance activities under Article 8.

(5) An insurance company or a branch of a foreign insurance company may pursue only the activities for which it was granted the authorisation under Article 5 (1) or Article 8(1) and activities connected with them. An insurance company or branch of a foreign insurance company may, after prior approval by the National Bank of Slovakia, pursue financial intermediation for financial institutions in accordance with special legislation.[12])

(6) The National Bank of Slovakia grants the authorisation to pursue insurance activities for the insurance types

a) life assurance according to the individual assurance classes specified in Annex No. 1,
b) non-life insurance according to the individual insurance classes or a group of insurance classes specified in Annex No. 1.

(7) ´Insurance type´ shall mean a separate group of insurance classes divided according to the equivalence of the insurance risk. The classification of insurance classes according to the insurance types is specified in Annex No. 1.

(8) An insurance company cannot pursue life assurance and non-life insurance at the same time, with the exception of insurance companies which

a) pursue life assurance; these insurance companies can also be granted an authorisation to provide accident insurance and illness insurance,
b) provide life assurance and non-life insurance at the same time in accordance with legal regulations existing prior to effective date of this Act.

(9) The registered capital of an insurance company required to pursue insurance activities must be

a) for life assurance at least EUR 4,000,000.00;
b) for the insurance classes of non-life insurance specified in Annex No. 1 part B
   1. points 1, 2, 3, 4, 5, 6a, 6b, 7, 8, 9, 16, 17 and 18 at least EUR 3,000,000.00; 2. points 6c, 10b, 11, 12, 13, 14 and 15 at least EUR 4,000,000.00;
   3. point 10a at least EUR 5,000,000.00.

(10) If an insurance company pursues insurance activities for a number of insurance classes of non-life insurance with various registered capital requirements, the highest amount of registered capital under paragraph 9 is the decisive amount.

(11) If an insurance company pursues insurance activities under paragraph 8(a) or (b), the amount of the registered capital for non-life insurance under paragraph 9(b) and paragraph 10 shall be increased by the amount of registered capital for life assurance under paragraph 9(a).

(12) An insurance company may pursue also reinsurance activities upon the authorisation to pursue reinsurance activities granted by the National Bank of Slovakia.

(13) In the case that the insurance activities and reinsurance activities are pursued at the same time, the registered capital must be at least in the amount under Article 6(8). The registered capital of an insurance company must be at least in the amount under paragraphs 9 and 10 or paragraph 11 if the insurance company meets the conditions as follows:

a) received reinsurance premium does not exceed 10 % from the total received insurance premium,
b) received reinsurance premium does not exceed EUR 50,000,000.00 and
c) technical reserves created from the received reinsurance premium do not exceed 10 % from the total created technical reserves.

(14) The registered capital of an insurance company in the amount stipulated in paragraph 9 may be paid only in the form of a monetary contribution.

Article 5

(1) The National Bank of Slovakia shall decide on the granting of an authorisation to pursue insurance activities. The application for granting an authorisation to pursue insurance activities shall be submitted by the establishing members of the insurance company to the National Bank of Slovakia, unless otherwise stipulated by this Act.

(2) To be granted an authorisation under paragraph 1, the fulfilment of the following conditions must be proved:

a) paid registered capital of the insurance company under Article 4,
b) a transparent and trustworthy origin of the registered capital and other financial resources of the insurance company,
c) suitability of persons with qualified holding in the insurance company and transparency of relationships of these persons with other persons, especially transparency of holdings in the registered capital and in the voting rights,
d) professional qualification and trustworthiness of persons which are proposed for members of the Board of Directors, proctors, chief executives of the insurance company in direct managing competence of the Board of Directors, for a responsible actuary and for a chief executive managing the department of internal audit,
e) transparency of the group with close links, which also includes a shareholder with a qualified holding in the insurance company, f) the exercise of supervision is not obstructed by close links within a group under subparagraph (e),
g) the exercise of supervision is not obstructed by the legal order and the manner in which it is exercised in the State in whose territory a group under subparagraph (e) has close links,

h) the insurance company must have its registered office and head office in the territory of the Slovak Republic,
i) technological and organizational preparedness for pursuing of insurance activities, existence of managing and control system of internal control, including the department of internal audit, and existence of risk management system.

(3) The application under paragraph 1 shall contain

a) the commercial name and the registered office of the future insurance company,
b) the identification number of the future insurance company, it if has been already assigned,
c) the amount of the registered capital of the future insurance company,
d) the list of shareholders with qualified holdings in the future insurance company and the list of persons close[21)] to the shareholders with qualified holdings that in the time of submission of the application for authorisation to pursue insurance activities are in the labour-law relationship or similar employment relationship to the insurance company, insurance company from another Member State, foreign insurance company, branch of a foreign insurance company, reinsurance company, reinsurance company from another Member State, foreign reinsurance company, branch

of a foreign reinsurance company or a financial institution; the list shall contain the name, surname, permanent residence and birth registration number of natural persons or the commercial name, registered office and identification number of legal persons and the amount of qualified holding,

e) a proposal regarding the scope within which the future insurance company shall pursue insurance activities,

f) the material, personnel-related and organizational conditions for the pursuit of insurance activities,

g) the name and surname, permanent residence and birth registration number of the natural persons proposed for members of the Board of Directors, members of the Supervisory Board, proctors, chief executives of the insurance company in direct managing competence of the Board of Directors, the chief executive managing the department of internal audit and for a responsible actuary,

h) a statement by the applicants that the submitted data are complete and accurate,

i) the name and surname, permanent residence or the commercial name and registered office of the liquidation representative, [22]) if the future insurance company shall pursue insurance activities listed in Annex No. 1 part B point 10a,

j) proof of credibility and professional competence of natural persons that are members of a statutory body or shareholders controlling a mixed financial holding company, and proof of the suitability of the shareholders controlling a mixed financial holding company if the insurance company, insurance company from other Member State, foreign insurance company, including their branches, is part of a financial conglomerate involving also a mixed financial holding company; the suitability of the shareholders controlling a mixed financial holding company means the ability to ensure proper and safe pursuit of the activities of regulated persons constituting a financial conglomerate controlled by such mixed financial holding company in the interest of the stability of financial market.

(4) Annex of the application under paragraph 1 involves

a) Deed of Incorporation or Memorandum of Association,

b) a proposal of the Articles of Association of the insurance company, a proposal of the organisational structure of the insurance company, of the rules of the activities of the insurance company, and a proposal of the business strategy of the insurance company,

d) short professional CVs, documents of achieved education and professional experience of the persons proposed for members of the Board of Directors, members of the Supervisory Board, responsible actuary and chief executives of the insurance company in direct managing competence of the Board of Directors and chief executive managing the department of internal audit,

e) copies of an entry in the Criminal Record of the natural persons referred to in paragraph 3(g) no older than three months and their affirmations that they meet the requirements established by this Act,

f) a written statement of the founding members that their properties have not been subjected to a petition in bankruptcy, no restructuring proceedings or proceedings to discharge from debts have been conducted, no supervisory trusteeship has been imposed and no compulsory composition has been authorised either, [11])

g) a proposal of the business and financial plan of the insurance company, which must contain

1. character of risks resulting from the planned activities,
2. principles for assignment of risks to reinsurance companies,
3. items forming a guarantee fund under Article 34,
4. estimation of establishing costs, financial resources for coverage of establishing costs and the manner of guarantee of the activities,
5. estimation of costs for the insurance company management for first three years of its operation, except of establishing costs,
6. estimation of insurance premium and insurance benefits for first three years of its operation,
7. expected balance sheet and expected profit and loss statement for first three years of its operation,

8. expected financial resources for first three years of its operation intended to cover underwriting liabilities and required solvency margin,
9. financial and technical resources intended for provision of assistance services in the case of pursuing of the insurance activities referred to in Annex No. 1 part B point 18,

h) a document that proves that the registered capital has been paid,

i) documents of trustworthy origin of monetary and non-monetary contributions put into the registered capital of the future insurance company by founding members and documents of origin of further financial resources of the future insurance company, for example in the case of a natural person summaries of his/her property and financial situation, statements of bank accounts, transcripts of entries in the real estate register, in the case of a legal person statements of balances verified by an auditor together with a statement of the auditor, records on economy submitted to the general assembly for last three years; in the case that the legal person was established less than three years before proving the fulfilment of the condition under Article 5(2)(b), the aforementioned documents shall be submitted only for the period from the date of its establishment.

(5) Národná banka Slovenska shall decide on the application under paragraph 1 within the time limit under a special law[23]) upon consideration of the entire application, annex to the application and pursuant to assessment of material, personnel-related and organizational conditions with respect to the proposed scope of insurance activities. (6) Národná banka Slovenska shall dismiss the application under paragraph 1 if the applicant fails to meet the conditions referred to in paragraph 2, fails to state the data under paragraph 3 or fails to submit the annex to the application according to paragraph 4, or if the submitted data are not complete or provable. The economic needs of the market cannot constitute a reason for the dismissal of the application. The National Bank of Slovakia may accept the application under paragraph 1 partially if the applicant has met the conditions under paragraph 2, has stated the data under paragraph 3 and submitted the annex to the application according to paragraph 4 only for some of the required activities and if these data are complete and provable.

(7) The terms and conditions under paragraph 2 must be met continuously throughout the entire period of validity of the authorisation to pursue insurance activities.

(8) The manner of proving the fulfilment of the conditions under paragraph 2 for granting of the authorisation to the insurance company to pursue insurance activities shall be determined in the Decree to be issued by Národná banka Slovenska and published in the Collection of Laws of the Slovak Republic (hereinafter referred as the ´Collection of Laws´).

(9) Professional qualifications in the case of natural persons proposed for members of the Board of Directors of the insurance company, for proctors, chief executives in direct managing competence of the Board of Directors and for a chief executive managing the department of internal audit shall mean completed full university education and at least three years of practice in the area of the financial market. A natural person can also be recognized as professionally qualified by Národná banka Slovenska if he/she has full secondary education, or other professional foreign education and at least seven years of practice in the area of financial market, from that at least three years must be in a managing position. The applicant is also obliged to prove that at least one natural person proposed for a member of the Board of Directors of the insurance company and that at least one natural person proposed for a chief executive in direct managing competence of the Board of Directors has five years of practice in the area of insurance industry. In the case of a natural person proposed for a responsible actuary, the applicant shall be obliged to prove the fulfilment of the conditions under Article 46(5).

(10) When assessing the fulfilment of conditions under paragraph 2(c), a suitable person is defined as a person who reliably proves the fulfilment of the conditions under paragraph 2(b) and it is obvious under any circumstances that the person shall ensure proper pursuit of insurance activities in the interest of the stability of the financial market.

(11) Details on the scope and content, structure, form and composition of the business and financial plan, including the methodology for its drawing up, for the insurance company or branch of a foreign insurance company may be determined in the Decree to be issued by the National Bank of Slovakia and published in the Collection of Laws.

(12) Article 16 shall apply to the insurance company that decided to pursue insurance activities in the territory of the Swiss Confederation by means of a branch or that has already been pursuing the

insurance activities for the insurance type other than the life assurance in the territory of the Swiss Confederation by means of a branch, unless otherwise stipulated in the international agreement[24)].

Terms and conditions for pursuing of reinsurance activities

Article 6

(1) Under conditions specified by this Act, an authorisation to pursue reinsurance activities authorises the establishment of a reinsurance company or the establishment of a branch of a foreign reinsurance company or a branch of a foreign reinsurance company within the scope specified in such authorisation. The authorisation to pursue reinsurance activities under the conditions stipulated by this Act permits an insurance company to pursue reinsurance activities within such an extent as is stipulated in this authorisation.

(2) The commercial name of the reinsurance company must contain the expression ´reinsurance company´. Only a legal person having the authorisation to pursue reinsurance activities may use the expression ´reinsurance company´, its foreign-language translation or the term whose base contains such expression or its foreign-language translation in the commercial name. Other persons may not use this expression in their commercial names. In the case that confusion could occur, the National bank of Slovakia may request detailing of the name of the reinsurance company or the branch of a foreign reinsurance company or another legal person; the reinsurance company, branch of a foreign reinsurance company or another legal person are obliged to comply with this request.

(3) No other person than a reinsurance company, reinsurance company from another Member State or a branch of a foreign reinsurance company can pursue reinsurance activities, unless stipulated otherwise by this Act.

(4) A foreign reinsurance company can only pursue reinsurance activities in the territory of the Slovak Republic through its branch and only if it has been granted an authorisation to pursue reinsurance activities under Article 9(1).

(5) A reinsurance company or branch of a foreign reinsurance company may pursue only the activities for which it was granted the authorisation under Article 7(1) or Article 9(1) and activities connected with them. A reinsurance company or branch of a foreign reinsurance company may, after prior approval by the National Bank of Slovakia, pursue reinsurance intermediation and other intermediation activities for financial institutions in accordance with special legislation.[12)]

(6) The National Bank of Slovakia grants the authorisation to pursue reinsurance activities for the insurance types

a) life assurance,

b) non-life insurance,

c) life assurance and non-life insurance.

(7) The National Bank of Slovakia may grant the authorisation to the insurance company to pursue reinsurance activities only for the insurance type for which it was granted the authorisation to pursue insurance activities. (8) A registered capital of a reinsurance company having its registered office in the territory of the Slovak Republic must be at least EUR 25,000,000.00.

(9) A registered capital of a reinsurance company in the amount stipulated in paragraph 8 may be paid only in the form of a monetary contribution.

Article 7

(1) The National Bank of Slovakia shall decide on the granting of an authorisation to pursue reinsurance activities. The application for authorisation to pursue reinsurance activities is to be submitted by the establishing members of the reinsurance company or an insurance company to the National Bank of Slovakia. The provisions of paragraphs 2 through 5 are to be applied accordingly if an insurance company applies for authorisation to pursue reinsurance activities..

(2) To be granted an authorisation under paragraph 1, the fulfilment of the following conditions must be proved:

a) paid registered capital of the reinsurance company under Article 6,

b) a transparent and trustworthy origin of the registered capital and other financial resources of the reinsurance company,

c) suitability of persons with qualified holding in the reinsurance company and transparency of relationships of these persons with other persons, especially transparency of holdings in the registered capital and in the voting rights,
d) professional qualification and trustworthiness of persons who are proposed for members of the Board of Directors, proctors, chief executives of the reinsurance company in direct managing competence of the Board of Directors, for the responsible actuary and for the chief executive managing an internal audit department,
e) transparency of the group with close links, which also includes a shareholder with a qualified holding in the reinsurance company,
f) the exercise of supervision is not obstructed by close links within the group under subparagraph (e),
g) the exercise of supervision is not obstructed by the legal order and the manner in which it is exercised in the State in whose territory a group under subparagraph (e) has close links,
h) the reinsurance company must have its registered office and head office in the territory of the Slovak Republic,
i) technological and organizational preparedness for pursuing of reinsurance activities, existence of the system of internal control and management, including an internal audit department and risk management system.

(3) The application under paragraph 1 shall contain

a) the commercial name and the registered office of the future reinsurance company,
b) the identification number of the future reinsurance company, it if has already been assigned,
c) the amount of the registered capital of the future reinsurance company,
d) the list of shareholders with qualified holdings in the future reinsurance company and the list of persons close[21)] to the shareholders with qualified holdings that are in the labour-law relationship or similar employment relationship to the reinsurance company, reinsurance company from another Member State, foreign reinsurance company, branch of a foreign reinsurance company, insurance company, insurance company from another Member State, foreign insurance company, branch of a foreign insurance company or to a financial institution in the time of submission of the application for authorisation to pursue reinsurance activities; the list shall contain the name, surname, permanent residence and birth registration number of natural persons or the commercial name, registered office and identification number of legal persons and amount of qualified holdings,
e) a proposal regarding the scope within which the future reinsurance company will pursue reinsurance activities,
f) the material, personnel-related and organisational conditions for the pursuit of reinsurance activities,
g) the name and surname, permanent residence and birth registration number of natural persons proposed for members of the Board of Directors, members of the Supervisory Board, proctors, chief executives of the reinsurance company in direct managing competence of the Board of Directors, the chief executive managing the department of internal audit and for the responsible actuary,
h) a statement by the applicants that the submitted data are complete and accurate,
i) proof of credibility and professional competence of natural persons that are members of a statutory body or shareholders controlling a mixed financial holding company, and proof of the suitability of the shareholders controlling a mixed financial holding company if the reinsurance company, reinsurance company from other Member State, foreign reinsurance company, including their branches, is a part of a financial conglomerate involving also a mixed financial holding company; the suitability of the shareholders controlling a mixed financial holding company means the ability to ensure proper and safe pursuit of activities of the regulated persons constituting a financial conglomerate controlled by such mixed financial holding company in the interest of stability of the financial market.

(4) Annex of the application under paragraph 1 involves

a) Deed of Incorporation or Memorandum of Association,
b) a proposal of the Articles of Association of the reinsurance company,
c) a proposal of an organizational structure of the reinsurance company, principles for activities of the reinsurance company, and a proposal of the business strategy of the reinsurance company,

d) short professional CVs, documents of achieved education and professional experience of the persons proposed for members of the Board of Directors, members of Supervisory Board, for the responsible actuary and for the chief executives of the reinsurance company in direct managing competence of the Board of Directors and for the chief executive managing an internal audit department,

e) copies of an entry in the Criminal Record of the natural persons under paragraph 3(g) no older than three months and their affirmations that they meet the requirements established by this Act,

f) a written statement of the founding members that their properties have not been subjected to a petition in bankruptcy and no compulsory composition has been authorised either, [11])

g) a proposal of a business and financial plan of the reinsurance company, which must contain

1. character of risks resulting from the planned activities,
2. types of the reinsurance contracts that the reinsurance company plans to realise,
3. principles for assignment of risks to reinsurance companies,
4. items forming a guarantee fund under Article 34,
5. estimation of establishing costs, financial resources for coverage of establishing costs and the manner of the guarantee of the activities, 6. estimation of costs for the reinsurance company management for first three years of its operation other than the establishing costs,
7. estimation of reinsurance premium and reinsurance benefits for first three years of its operation,
8. expected balance sheet and expected profit and loss statement for first three years of its operation,
9. expected financial resources intended for first three years of its operation to cover underwriting liabilities resulting from reinsurance and required solvency margin,

h) a document that proves that the registered capital has been paid,

i) documents of trustworthy origin of monetary and non-monetary contributions put into the registered capital of the future reinsurance company by founding members and documents of origin of further financial resources of the future reinsurance company, for example in the case of a natural person summaries of his/her property and financial situation, statements of bank accounts, transcripts of entries in the real estate register, in the case of a legal person statements of balances verified by an auditor together with a statement of the auditor, records on economy submitted to the general assembly for last three years; in the case that the legal person was established less than three years before proving the fulfilment of the condition under Article 7(2)(b), the aforementioned documents shall be submitted only for the period from the date of its establishment.

(5) The National Bank of Slovakia shall decide on the application under paragraph 1 within the time limit under a special regulation [23]) upon consideration of the entire application, annex to the application and pursuant to assessment of material, personnel-related and organizational conditions with respect to the proposed scope of reinsurance activities.

(6) The National Bank of Slovakia shall dismiss the application under paragraph 1 if the applicant fails to meet the conditions referred to in paragraph 2, fails to state the data under paragraph 3 or fails to submit the annex to the application according to paragraph 4, or if the proposed data are not complete or provable. The economic needs of the market cannot constitute a reason for the dismissal of the application. The National Bank of Slovakia may accept the application partially if the applicant has met the conditions under paragraph 2, has stated the data under paragraph 3 and submitted the annex to the application according to paragraph 4 only for some of the required activities and if these data are complete and provable.

(7) The terms and conditions under paragraph 2 must be met continuously throughout the entire period of validity of the authorisation to pursue reinsurance activities.

(8) The manner of proving the fulfilment of the conditions under paragraph 2 for granting of the authorisation to pursue reinsurance activities shall be determined in the Decree to be issued by the National Bank of Slovakia and published in the Collection of Laws.

(9) Professional qualifications in the case of natural persons proposed for members of the Board of Directors of the reinsurance company, proctors, chief executives in direct managing competence of the Board of Directors and for a chief executive managing the department of internal

audit shall mean completed full university education and at least three years of practice in the area of the financial market. A natural person can also be recognized as professionally qualified by the National Bank of Slovakia if he/she has full secondary education, or other professional foreign education and at least seven years of practice in the area of financial market, from that at least three years must be in a managing position. The applicant is also obliged to prove that at least one natural person proposed for a member of the Board of Directors and that at least one natural person proposed for a chief executive in direct managing competence of the Board of Directors has five years of practice in the area of reinsurance. In the case of a natural person proposed for a responsible actuary, the applicant shall be obliged to prove the fulfilment of the conditions under Article 46(5).

(10) When assessing the fulfilment of conditions under paragraph 2(c), a suitable person is defined as a person who reliably proves the fulfilment of the conditions under paragraph 2(b) and it is obvious under any circumstances that the person shall ensure proper pursuit of reinsurance activities in the interest of the stability of the financial market.

(11) Details on the scope and content, structure, form and composition of the business and financial plan, including the methodology for its drawing up, for the reinsurance company or the branch of a foreign reinsurance company may be set in the Decree to be issued by the National Bank of Slovakia and published in the Collection of Laws.

Article 8

Pursuing of insurance activities by a foreign insurance company through a branch

(1) The National Bank of Slovakia shall decide on the granting of an authorisation to pursue insurance activities to a foreign insurance company through its branch. The application for authorisation to pursue insurance activities by the foreign insurance company shall be submitted to the National Bank of Slovakia by the foreign insurance company.

(2) To be granted an authorisation under paragraph 1, the fulfilment of the following conditions must be proved:

a) assets in the territory of the Slovak Republic cannot be less than one half of the guarantee fund under Article 34 and financial means in the amount of one quarter of the guarantee fund under Article 34 must be deposited on a separate account in a bank;[14)] the financial means must be deposited on this account throughout the entire period of operation of the branch of the foreign insurance company,

b) actual solvency margin resulting from the scope of the insurance activities pursued in the territory of the Slovak Republic shall be in accordance with Article 34,

c) credibility of the foreign insurance company and its financial capacity adequate to the scope of the insurance activities pursued through its branch,

d) professional qualifications and credibility of the persons proposed by the foreign insurance company to manage its branch, for a proctor and for a responsible actuary,

e) transparency of the group with close links, which includes the foreign insurance company,

f) the exercise of supervision is not obstructed by close links within the group under subparagraph (e),

g) the exercise of supervision is not obstructed by the legal order and the manner in which it is exercised in the State in whose territory a group under subparagraph (e) has close links,

h) the foreign insurance company that has decided to pursue insurance company through its branch pursues a significant part of insurance activities in the State of its registered office.

(3) The application of the foreign insurance company under paragraph 1 shall contain, except of the data according to Article 5(3)(d) and (e) the following: the commercial name and registered office of the foreign insurance company and intended location of its branch in the territory of the Slovak Republic,

b) the material, personnel-related and organizational conditions for the pursuit of the activities under paragraph 1 in the territory of the Slovak Republic,

c) the name, surname and permanent residence of the head of the branch of the foreign insurance company and the proctor, responsible actuary, data on their professional qualification and the place of their residence in the territory of the Slovak Republic.

d) the name and surname, permanent residence or the commercial name and registered office of the liquidation representative,[22)] if the branch of the foreign insurance company shall pursue insurance activities listed in Annex No. 1 part B point 10a.

(4) Annex of the application under paragraph 1 involves

a) an authorisation to pursue activities granted to the foreign insurance company in accordance with the legal order of the State in which the foreign insurance company has its registered office, in the latest full version,

b) financial statements verified by an auditor or an auditorial company for the last three years before submitting the application for granting an authorisation to pursue insurance activities; if the foreign insurance company is part of a group, also consolidated financial statements for the past three years,

c) copies of an entry in Criminal Record of natural persons referred to in paragraph 3(c) no older than three months; a foreign natural person shall submit a document of a similar character issued by the appropriate body of the State of its permanent residence, in the State of which it is a citizen, and in the States in which this person lived permanently in the last five years for a period of more than six months; if the relevant States do not issue these documents they shall be replaced by the natural person's affirmation,

d) short professional CV, documents on achieved education and professional experience of the persons proposed for the head of the branch of the foreign insurance company and for the proctor and the responsible actuary,

e) a written consent of the appropriate body of the State in which the foreign insurance company has registered office with the establishment of the branch of the foreign insurance company, if such consent is issued under the legal order of the State in which the foreign insurance company has its registered office,

f) a statement of the supervisory authority of the State, in which the foreign insurance company has its registered office, on the establishment of the branch in the territory of the Slovak Republic, as well as a written promise of this authority to timely notify in writing the National Bank of Slovakia of any changes of adequacy of own resources of the foreign insurance company and of other facts which might have a negative impact on the ability of the foreign insurance company and its branch to fulfil its obligations, if the competent supervisory bodies issue such documents,

g) a proposal of a business and financial plan of the foreign insurance company in the scope under Article 5(4)(g).

(5) The National Bank of Slovakia shall decide on the application under paragraph 1 within the time limit under a special law[23)] upon consideration of the application, annex to the application and pursuant to assessment of material, personnel-related and organizational conditions with respect to the proposed scope of insurance activities.

(6) The National Bank of Slovakia shall dismiss the application under paragraph 1 if the applicant fails to meet the conditions referred to in paragraph 2, fails to state the data under paragraph 3 or fails to submit the annex to the application according to paragraph 4, or if the proposed data are not complete or provable. The economic needs of the market cannot constitute a reason for the dismissal of the application. The National Bank of Slovakia may accept the application partially if the applicant has met the conditions under paragraph 2, has stated the data under paragraph 3 and submitted the annex to the application according to paragraph 4 only for some of the required activities and if these data are complete and provable.

(7) The fact that the legal form of the foreign insurance company does not correspond with the legal form of a joint-stock company cannot be a reason for dismissing the application under paragraph 1.

(8) The terms and conditions under paragraph 2 must be met continuously throughout the entire period of validity of the authorisation to pursue insurance activities.

(9) The manner of proving the fulfilment of the conditions under paragraph 2 for granting of the authorisation to the foreign insurance company to pursue insurance activities through its branch shall be determined in the Decree to be issued by the National Bank of Slovakia and published in the Collection of Laws.

(10) Professional qualification in the case of persons proposed for the head of the branch of the foreign insurance company is understood as completed full university education and at least three years of practice in the area of the financial market. A person can also be recognized as professionally qualified by the National Bank of Slovakia if he/she has full secondary education, or other professional foreign education and at least seven years of practice in the area of financial market, from that at least three years must be in a managing position. In the case of a natural person proposed for a responsible actuary, the applicant shall be obliged to prove the fulfilment of the conditions under Article 46(5).

(11) The foreign insurance company can be granted an authorisation under paragraph 1 for one insurance type only, at the most in the scope of activities for which it was granted an authorisation in this insurance type in the State of its registered office. This does not apply if the foreign insurance company performs life assurance; in this case an authorisation can also be granted for performing accident insurance and illness insurance. Insurance activities for other insurance type can be pursued in the territory of the Slovak Republic by the foreign insurance company only through a subsidiary; this does not affect provision of Article 4(1).

(12) A foreign insurance company, which has applied for an authorisation under paragraph 1 with the National Bank of Slovakia and which has applied for an authorisation to pursue insurance activities through its branch in another Member State, or such authorisation has been granted to it in another Member State, may ask the National Bank of Slovakia for the granting of the advantages consisting in the following:

a) the financial means under paragraph 2(a) can be deposited on an independent account with a bank only in one Member State in which it has a branch,
b) the calculation of the required solvency margin under Article 34 is carried out in relation to the entire scope of insurance activities which it pursues in Member States; for the purposes of this calculation only the activities pursued by all branches of the foreign insurance company established in Member States are taken into account,
c) the assets that form the guarantee fund can be located in the Member State in which the foreign insurance company pursues insurance activities. (13) The advantages under paragraph 12 can only be granted simultaneously. The application for the granting of these advantages is submitted to the competent supervisory authority of the Member States in whose territory the foreign insurance company wants to pursue insurance activities. In the application for the granting of advantages under paragraph 12 it is necessary to designate the competent supervisory authority of the Member State which will exercise supervision over maintaining solvency of the branches of the foreign insurance company pursuing insurance activities in the territory of Member States and the reason for designation of the competent supervisory authority of the Member State must be specified.

(14) The advantages under paragraph 12 can only be granted if the granting is approved by all competent supervisory authorities of the Member States in which the application for the granting of these advantages was submitted. The advantages under paragraph 12 can be used from the date on which the National Bank of Slovakia received information from the competent supervisory authority designated by the foreign insurance company that it will exercise supervision over solvency maintenance under paragraph 13, or from the date when the National Bank of Slovakia as a designated competent supervisory authority informed the relevant authorities of the Member States in which the application for the granting of advantages under paragraph 12 was submitted stating that it will exercise supervision over solvency maintenance under paragraph 13.

(15) The National Bank of Slovakia shall be obliged to provide to the designated competent supervisory authority of the Member State all information necessary for the exercise of supervision over solvency maintenance under paragraph 13. If the National Bank of Slovakia has been designated to be a competent supervisory authority, it shall be entitled to request information necessary for the exercise of supervision over solvency maintenance under paragraph 13 from the competent supervisory authorities of the Member States in which the application for the granting of advantages under paragraph 12 was submitted.

(16) If the advantages under paragraph 12 have been granted, the financial means under paragraph 12(a) must be deposited on an independent account with a bank with its registered office in

the Member State whose competent supervisory authority exercises supervision over solvency maintenance under paragraph 13.

(17) Based on a request of the competent supervisory authority or of another competent authority of the Member State in which the application for the granting of the advantages under paragraph 12 was submitted, the National Bank of Slovakia shall be obliged to withdraw such advantages and notify the competent supervisory authorities of such withdrawal.

(18) If the National Bank of Slovakia withdraws the advantages under paragraph 12 at its own instance from the foreign insurance company which pursues insurance activities on the basis of an authorisation under paragraph 1, it shall notify thereof the competent supervisory authorities of the Member States in which the application for the granting of such advantages was submitted and at the same time, it shall ask them to withdraw the advantages granted by them.

(19) Article 18 and provisions of this Act governing operation of a branch of an insurance company from another Member State shall apply to the foreign insurance company with its registered office in the Swiss Confederation that decided to pursue insurance activities in the territory of the Slovak Republic through a branch or that has already been pursuing the insurance activities for the insurance type other than life assurance in the territory of the Slovak Republic through a branch, unless stipulated otherwise by the international agreement[24]).

Article 9

Pursuing of reinsurance activities by a foreign reinsurance company through a branch

(1) The National Bank of Slovakia shall decide on the granting of an authorisation to pursue reinsurance activities to a foreign reinsurance company through its branch. The application for authorisation to pursue reinsurance activities by the foreign reinsurance company shall be submitted to the National Bank of Slovakia by the foreign reinsurance company.

(2) To be granted an authorisation under paragraph 1, the fulfilment of the following conditions must be proved:

a) the actual solvency margin resulting from the scope of reinsurance activities pursued in the territory of the Slovak Republic shall be in accordance with Article 34,
b) credibility of the foreign reinsurance company and its financial capacity adequate to the scope of reinsurance activities pursued through its branch,
c) professional qualifications and credibility of the persons proposed by the foreign reinsurance company to manage its branch, for a proctor and for a responsible actuary,
d) transparency of the group with close links, which also includes the foreign reinsurance company,
e) the exercise of supervision is not obstructed by close links within the group under subparagraph (d),
f) the exercise of supervision is not obstructed by the legal order and the manner in which it is exercised in the State in whose territory a group under subparagraph (d) has close links,
g) the foreign reinsurance company that decided to pursue reinsurance company through its branch pursues a significant part of reinsurance activities in the State of its registered office.

(3) The application of the foreign insurance company under paragraph 1 shall contain, except of the data according to Article 7(3)(d) and (e) the following

a) the commercial name and registered office of the foreign reinsurance company and intended location of its branch in the territory of the Slovak Republic,
b) the material, personnel-related and organizational conditions for the pursuit of the activities under paragraph 1 in the territory of the Slovak Republic,
c) the name, surname and permanent residence of the head of the branch of the foreign reinsurance company, the proctor, responsible actuary, data on their professional qualification and the place of their residence in the territory of the Slovak Republic.

(4) Annex of the application under paragraph 1 involves

a) an authorisation to pursue activities granted to the foreign reinsurance company in accordance with the legal order of the State in which the foreign reinsurance company has its registered office, in the latest full version,
b) financial statements verified by an auditor or an auditorial company for the last three years before submitting the application for granting an authorisation to pursue reinsurance financial statements for the past three years,

c) copies of an entry in Criminal Record of the natural persons referred to in paragraph 3(c) no 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 its permanent residence, in the State of which it is a citizen, and in the States in which this person lived permanently in the last five years for a period of more than six months; if the relevant States do not issue these documents they shall be replaced by the natural person's affirmation,
d) short professional CV, documents on achieved education and professional experience of the natural persons proposed for the head of the branch of the foreign reinsurance company and for the proctor and the responsible actuary,
e) a written consent of the competent authority of the State in which the foreign reinsurance company has registered its office with the establishment of the branch of the foreign reinsurance company, if such consent is issued under the legal order of the State in which the foreign insurance company has its registered office,
f) a statement of the supervisory authority of the State, in which the foreign reinsurance company has its registered office, on the establishment of the branch in the territory of the Slovak Republic, as well as a written promise of this authority to timely notify in writing the National Bank of Slovakia of any changes of adequacy of own resources of the foreign reinsurance company and of other facts which might have a negative impact on the ability of the foreign reinsurance company and its branch to fulfil its obligations,
g) a proposal of a business and financial plan of the foreign reinsurance company in the scope under Article 7(4)(g).

(5) The National Bank of Slovakia shall decide on the application under paragraph 1 within the time limit under a special regulation [23)] upon consideration of the application, annex to the application and pursuant to assessment of material, personnel-related and organizational conditions with respect to the proposed scope of reinsurance activities.

(6) The National Bank of Slovakia shall dismiss the application under paragraph 1 if the applicant fails to meet the conditions referred to in paragraph 2, fails to state the data under paragraph 3 or fails to submit the annex to the application according to paragraph 4, or if the proposed data are not complete or provable. The economic needs of the market cannot constitute a reason for the dismissal of the application. The National Bank of Slovakia may accept the application partially if the applicant has met the conditions under paragraph 2, has stated the data under paragraph 3 and submitted the annex to the application according to paragraph 4 only for some of the required activities and if these data were complete and provable.

(7) The fact that the legal form of the foreign reinsurance company does not correspond with the legal form of a joint-stock company cannot be a reason for dismissing the application under paragraph 1.

(8) The terms and conditions under paragraph 2 must be met continuously throughout the entire period of validity of the authorisation to pursue reinsurance activities.

(9) The manner of proving the fulfilment of the conditions under paragraph 2 for granting of the authorisation to the foreign reinsurance company to pursue reinsurance activities through its branch shall be determined by the Decree to be issued by the National Bank of Slovakia and published in the Collection of Laws. (10) Professional qualification in the case of persons proposed for the head of the branch of the foreign reinsurance company is understood as completed full university education and at least three years of practice in the area of the financial market. A person can also be recognized as professionally qualified by the National Bank of Slovakia if he/she has full secondary education, or other professional foreign education and at least seven years of practice in the area of financial market, from that at least three years must be in a managing position. In the case of a natural person proposed for a responsible actuary, the applicant shall be obliged to prove the fulfilment of the conditions under Article 46(5).

(11) The foreign reinsurance company can be granted an authorisation under paragraph 1 at the most in the scope of activities for which it was granted an authorisation in the State of its registered office.

Article 12
Authorisation to pursue insurance

activities or reinsurance activities

(1) An authorisation to pursue insurance activities or an authorisation to pursue reinsurance activities is granted for an indefinite period and cannot be transferred to another person or to a successor. The authorisation to pursue insurance activities granted to an insurance company is valid for all Member States and entitles the insurance company to pursue insurance activities in the territory of another Member State through a branch established in another Member State or on the basis of the right of the free provision of services. The authorisation to pursue reinsurance activities granted to an insurance company or a reinsurance company is valid for all Member States and entitles the insurance company or the reinsurance company to pursue reinsurance activities in the territory of another Member State through a branch established in another Member State or on the basis of the right of the free provision of services.

(2) Apart from the general requirements of the decision under special legislation[25]) the statement of the decision which grants the authorisation to pursue insurance activities or the authorisation to pursue reinsurance activities must contain

a) the commercial name and registered office of the insurance company or the commercial name and location of the branch of a foreign insurance company, or the commercial name and registered office of the reinsurance company or the commercial name and location of the branch of a foreign reinsurance company,
b) designation of the insurance type and insurance classes which an insurance company or a branch of a foreign insurance company is authorised to pursue, or designation of the insurance type for which a reinsurance company, a branch of a foreign reinsurance company, an insurance company or a branch of a foreign insurance company is authorised to pursue the reinsurance activities.

(3) An authorisation to pursue insurance activities or an authorisation to pursue reinsurance activities can contain also conditions which the insurance company or the foreign insurance company or the reinsurance company or the foreign reinsurance company must meet before it takes up to pursue insurance activities or reinsurance activities, or the conditions which the insurance company or the foreign insurance company or the reinsurance company or the foreign reinsurance company must comply with when pursuing insurance activities or reinsurance activities. The authorisation to pursue insurance activities can restrict performance of some insurance within an insurance class.

(4) Upon request from the insurance company or the foreign insurance company or the reinsurance company or the foreign reinsurance company a decision of the National Bank of Slovakia can modify the authorisation to pursue insurance activities or the authorisation to pursue reinsurance activities. When assessing the request for modification of the authorisation to pursue insurance activities or reinsurance activities, the National Bank of Slovakia shall proceed in compliance with Article 5 or Article 7, as appropriate. In the case of extending the scope of the authorisation to pursue insurance activities shall the insurance company or the foreign insurance company be obliged to submit to the National Bank of Slovakia a business and financial plan under Article 5(4)(g) or a business and financial plan of the branch of a foreign insurance company under Article 8(4)(g) and prove that it meets the conditions under Article 34. In the case of extending the scope of the authorisation to pursue reinsurance activities shall the reinsurance company, the foreign reinsurance company and the insurance company be obliged to submit to the National Bank of Slovakia a business and financial plan under Article 7(4)(g) or a business and financial plan of the branch of a foreign reinsurance company under Article 9(4)(g) and prove that it meets the conditions under Article 34.

(5) The insurance company or the foreign insurance company or the reinsurance company or the foreign reinsurance company is obliged to submit to the competent court a motion to enter a record of insurance activities or reinsurance activities into the Commercial Register on the basis of an authorisation to pursue insurance activities or an authorisation to pursue reinsurance activities or its modification within thirty (30) days after the effective date of such authorisation or its modification and submit to the National Bank of Slovakia a copy of an entry in the Commercial Register within ten days after the effective date of the court decision on making of an entry into the Commercial Register or modification of an entry in the Commercial Register.

(6) The insurance company or the reinsurance company shall be obliged to notify the National Bank of Slovakia in writing without undue delay of any changes of the facts referred to in Article 5(2) through (4) or in Article 7(2) through (4); the foreign insurance company pursuing insurance activities

in the territory of the Slovak Republic through a branch, or the foreign reinsurance company pursuing reinsurance activities in the territory of the Slovak Republic through a branch shall be obliged to notify the National Bank of Slovakia in writing without undue delay of any changes of the facts referred to in Article 8(2) through (4) or in Article 9(2) through (4).

Article 44

(1) A person which has decided to cancel qualified holding of an insurance company or reinsurance company or to decrease a share in the registered capital of the insurance company or reinsurance company or in the voting rights in the insurance company or reinsurance company below 20 %, 30 % or 50 % or so that the insurance company or reinsurance company ceases to be its subsidiary company, must notify the National Bank of Slovakia thereof in writing in advance.

(2) A notification under paragraph 1 must contain the following data:

a) the name, surname, birth registration number and place of permanent residence of the natural person under paragraph 1 or the commercial name, registered office and identification number of a legal person under paragraph 1,

b) the scope in which the person wants to decrease the share in the registered capital of the insurance company or reinsurance company under paragraph 1.

(3) The insurance company or reinsurance company is obliged to notify the National Bank of Slovakia of any change in its registered capital which will lead to exceeding the 20 %, 30 % or 50 % share in the registered capital of the insurance company or reinsurance company or in the voting rights in the insurance company or reinsurance company of one person or more persons acting in concert, [29]) or the insurance company or reinsurance company shall become a subsidiary, without undue delay at the latest within ten days of the date of having learnt of these facts.

(4) The insurance company or reinsurance company is obliged to notify the National Bank of Slovakia of any change in its registered capital which will lead to decreasing of the share in the registered capital of the insurance company or reinsurance company or in the voting rights in the insurance company or reinsurance company of one person or more persons acting in concert [29)] below 20 %, 30 % or 50 % or the insurance company or reinsurance company shall stop being a subsidiary without undue delay at the latest within ten days of the date of having learnt of these facts.

(5) For the purposes of supervision an insurance company or reinsurance company shall be obliged to make a list of its shareholders according to the state as at 31 March, 30 June, 30 September and 31 December and submit it to the National Bank of Slovakia always by the end of the subsequent calendar month. The insurance company or reinsurance company shall be obliged to submit the list of its shareholders according to the state as at 31 December also to the Ministry by the end of the subsequent calendar month. If the shareholder is a natural person, such list shall contain personal data of the shareholder, in particular the name, surname, title and permanent residence and it must contain at least the data about the share in the registered capital and about the share in the voting rights.

Article 47

(1) For the purpose of the identification of clients and their representatives and the preservation of the possibility of future control of such identification, for the purpose of the conclusion of insurance contracts and the management of insurance and for other purposes referred to in paragraph 3, the clients and their representatives are, even without the approval of the affected persons during every conclusion of an insurance contract, obliged to provide the insurance company, branch of an insurance company from another Member State and branch of a foreign insurance company upon their request

a) with

1. in the case of natural persons, including the natural person representing a legal person, personal data) in the scope of the name, surname, address of permanent residence, address of temporary residence, if they have it, birth registration number, if assigned, date of birth, nationality, type and number of identification document, as well as the address of the place of business, in the case of a natural person who is an entrepreneur, the subject of the commercial

activities and the designation of the official register or other official archive in which this entrepreneur is listed, and the number of entry in this register or archive,

2. in the case of a legal person identification data in the scope of the commercial name, identification number, if assigned, address of the registered office, subject of the commercial activities or another activities, address of the location of the undertaking or of the organizational units and another address of the place of its activities, as well as the list of persons comprising the statutory body of this legal person and data about them in the scope under point 1, designation of the official register or other official archive in which this legal person is listed,) and the number of entry in this register or archive,
3. the contact telephone number, fax number and address of electronic mail, if applicable,
4. documents and data proving
   4a. the capacity of the client to meet the obligations from the insurance contract,
   4b. the required securing of obligations from the insurance contract,
   4c. the authorisation for representation in the case of a representative,
   4d. the fulfilment of other requirements and conditions for the conclusion of an insurance contract which are specified in this Act or special regulations or which are agreed with the insurance company, branch of an insurance company from another Member State and branch of a foreign insurance company,

b) access by means of copying, scanning or other manner of recording, to

1. personal data) from the identification document in the scope of pictorial image, title, name, surname, surname at birth, birth registration number, date of birth, place and district of birth, address of permanent residence, address of temporary residence, nationality, record on limited capability for legal acts, type and number of identification document, issuing authority, date of issuing and expiry date of the identification document, and
2. other data from documents proving the data referred to in subparagraph (a).

(2) For the purpose of the identification of clients and their representatives and the possibility of future control of this identification, for the purpose of the conclusion of insurance contracts and management of insurance and for other purposes referred to in paragraph 3, the insurance company, branch of an insurance company from another Member State and branch of a foreign insurance company are entitled to request from the client and its representative at every conclusion of an insurance contract the data determined in paragraph 1(a) and to obtain them in the manner determined in paragraph 1(b).
(3) For the purpose of the identification of clients and their representatives and preservation of the possibility of future control of this identification, for the purpose of the conclusion of insurance contracts and management of insurance between the insurance company, branch of an insurance company from another Member State and the branch of a foreign insurance company and its clients, for the purpose of the protection and seeking of the rights of the insurance company, branch of an insurance company from another Member State and branch of a foreign insurance company towards its client, for the purpose of documenting the activities of the insurance company, branch of an insurance company from another Member State and the branch of a foreign insurance company, for the purpose of performing supervision over insurance companies, branches of insurance companies from another Member State and branches of foreign insurance companies and over their activities and for the fulfilment of the obligations and tasks of the insurance company, branch of an insurance company from another Member State and the branch of a foreign insurance company under this Act or special regulations) the insurance company, branch of an insurance company from another Member State and branch of a foreign insurance are even without the approval and information of the affected persons) authorised to determine, obtain, record, store, use and otherwise process) the personal data and other data within the scope under paragraph 1 and Article 40(1); the insurance company, branch of an insurance company from another Member State and branch of a foreign insurance company are also authorised to use automatic or non-automatic instruments to create copies of identification documents and process the birth registration numbers) and other data and documents determined in paragraph 1.

(4) The insurance company, branch of an insurance company from another Member Sate and branch of a foreign insurance company are even without the approval and information of the affected persons) authorised to make the data to which paragraphs 1 through 3 and Article 40(1) apply available from their information system and provide them) only to persons and bodies to which they have a legal obligation to submit or a legal authorisation under this Act and under special regulations to submit information which are subject to the duty of confidentiality under Article 40, only during the provision and only in the scope of providing information protected by the duty of confidentiality under Article 40. The data to which paragraphs 1 through 3 and Article 40(1) apply must be submitted to the National Bank of Slovakia by the insurance company and branch of a foreign insurance company for the purpose of performance and documentation of performance of operation, activities and tasks of the National Bank of Slovakia under this Act and special regulations upon its request and even without approval of the affected persons.

(5) The data to which paragraphs 1 through 3 and Article 40(1) apply can be made available or submitted abroad by the insurance company, branch of an insurance company from another Member State and branch of a foreign insurance company only under the conditions stated in a special law,) or if it is so determined in an international treaty by which the Slovak Republic is bound and which has preference over the laws of the Slovak Republic.

(6) When concluding an insurance contract within life assurance, the insurance company, branch of an insurance company from another Member State and the branch of a foreign insurance company shall be obliged to request a client to prove his/her identity and the client has to comply with such request. In cases when the insurance contract within life assurance is concluded through a financial agent within the insurance or reinsurance sector and a financial adviser within the insurance or reinsurance sector,) the identity may be established also by the financial agent within the insurance or reinsurance sector and a financial adviser within the insurance or reinsurance sector.) The insurance company, branch of an insurance company from another Member State, branch of a foreign insurance company, the financial agent within the insurance or reinsurance sector and a financial adviser within the insurance or reinsurance sector,) shall be obliged to refuse to conclude an insurance contract within life assurance while maintaining anonymity of the client.

(7) For the purpose of paragraph 6, the identity of clients can be proved by an identity document of the client. When concluding an insurance contract within life assurance by means of technical equipment, identity shall be proved with the help of a special identification number or a similar code which the insurance company, branch of an insurance company from another Member State or branch of a foreign insurance company assigns to the client and by an authentication code on which the insurance company, branch of an insurance company from another Member State or branch of a foreign insurance company has agreed with the client, or by an electronic signature under a special law. In the case of a minor client possessing no identity document, an identity document is used to establish the identity of his/her legal representative or other representative authorised to act on behalf of a minor, including a document clearly showing the representative’s authorisation to represent, and also the minor client’s birth certificate.

(8) With every conclusion of an insurance contract within life assurance in which the premium in the current year exceeds the value of EUR 1,000.00 or single premium exceeds the value of EUR 2,500.00, the insurance company, branch of an insurance company from another Member State and branch of a foreign insurance company shall be obliged to determine the ownership of the financial means used by the client for the conclusion of such insurance contract; such obligation also applies in the case of an increasing of the value of the premium to EUR 1,000.00 or more. For the purpose of this provision, the ownership of financial means is determined by a binding written statement of the client in which the client is obliged to state whether these means are his/her property and whether he/she performs the conclusion of the insurance contract on his/her own account. If such means are the property of other person or if the insurance contract is concluded on the account of other person, the client shall be obliged to include in the statement the name, surname, birth registration number or date

of birth and address of permanent residence of the natural person or the commercial name, registered office and identification number of the legal person if assigned to it, whose property such financial means are and on whose account the insurance contract is concluded; in this case the client shall be obliged to submit to the insurance company, branch of an insurance company from another Member State or branch of a foreign insurance company also a written consent of that person to use its financial means for the conclusion of the insurance contract and for the conclusion of this contract on its account. If the client has not met the obligations under this paragraph, the insurance company, branch of an insurance company from another Member State and branch of a foreign insurance company shall be obliged to refuse the conclusion of such insurance contract.

(9) The insurance company, branch of an insurance company from another Member State and branch of a foreign insurance company shall be obliged to maintain and protect the insurance contracts including changes and related documents, data and copies of documents on the proof of the client's identity, documents on the determination of the ownership of the means used by the client to conclude the insurance contract, the insurance contracts and documents related to the conclusions and administration of the insurance contracts during the insurance period and after the insurance termination until expiry of the lapse period for the exercise of rights resulting from the insurance contract, although for at least ten years after the termination of the contractual relation with the client; from damage, change, destruction, loss, theft, revealing, abuse and unauthorized access. The reinsurance company, branch of the reinsurance company from another Member State and branch of a foreign reinsurance company shall be obliged to maintain and protect the reinsurance contracts including changes and related documents during the reinsurance period and after the reinsurance termination at least until expiry of the lapse period for the exercise of rights resulting from the reinsurance contract; from damage, change, destruction, loss, theft, revealing, abuse and unauthorized access.

ANNEX XVII: EXTRACTS FROM THE ACT ON SECURITIES AND INVESTMENT SERVICES (THE SECURITIES ACT)

ARTICLE 8

For the purposes of this Act:

a) 'portfolio' means assets comprising financial instruments, other securities, or funds intended for the purchase of financial instruments or other securities;

b) 'trustworthy person' means a natural person who in the past ten years - has not been lawfully sentenced for a criminal offence committed in connection with a management office or an intentional criminal offence; these facts shall be evidenced by a criminal record extract, 19) not older than three months, or, if a foreign citizen, by a similar certificate of integrity issued by a competent authority of his home country or the country of its usual residence;

2. has not held an office mentioned Article 55 (2)(d) with a stock brokerage firm or a financial institution pursuant to paragraph (c) whose licence has been revoked, or an office mentioned in Article 56 (2)(c) with a branch of a foreign stock brokerage firm whose licence to operate as a foreign stock brokerage firm in the Slovak Republic has been revoked, at any point within one year before the licence revocation; this condition shall not apply if the nature of the matter implies that, with respect to the office specified in Article 55 (2)(d), or Article 56 (2)(c), the person concerned could not have influenced the activities of the stock brokerage firm, financial institution under letter (c), or a foreign stock brokerage firm, nor have caused the consequences that led to revocation of the licence, and has been recognised as trustworthy by the National Bank of Slovakia in licensing proceedings 20) held in accordance with this Act;

3. has not held an office mentioned in Article 55 (2)(d) with a stock brokerage firm, or a financial institution pursuant to paragraph (c) which has been placed under compulsory administration, at any point within one year before the introduction of compulsory administration; this condition shall not apply if the nature of the matter implies that, with respect to the office specified in Article 55 (2)(d), the person concerned could not have influenced the activities of the stock brokerage firm or financial institution pursuant to paragraph (c), nor have caused the consequences that led to compulsory administration, and has been recognised as trustworthy by the National Bank of Slovakia in licensing proceedings conducted in accordance with this Act;

4. has not held an office mentioned in Article 55 (2)(d) with a stock brokerage firm or a financial institution pursuant to letter (c) which has been declared bankrupt 21) or gone into liquidation, at any point within one year before the declaration of bankruptcy or the start of liquidation. This condition shall not apply if the nature of the matter implies that, with respect to the office specified in Article 55 (2)(d), the person concerned could not have influenced the activities of the stock brokerage firm or financial institution pursuant to letter (c), nor have caused the consequences that led to a declaration of bankruptcy or entry into liquidation, and has been recognised as trustworthy by the National Bank of Slovakia in licensing proceedings conducted in accordance with this Act; nor shall this condition apply if the person held an office mentioned in Article 55 (2)(d) in a supplementary pension insurance company which entered into liquidation owing to its transformation in accordance with a separate law; 21a)

5. has not been validly fined more than 50% of the sum that could be imposed in accordance with Article 144 (7);

c) 'financial institution' means a bank, a branch of a foreign bank, 15) an asset management company, 22) an insurance company, 23) a supplementary pension insurance company or supplementary pension company, 24) the central depository or an entity engaged in a similar activity which has its registered office outside the Slovak Republic, or a pension fund management company; 24a)

d) 'derivative' means any right or obligation, assessable in monetary terms, relating to or derived from securities, commodities, interest rates, exchange rate indices of funds held in euros or a foreign currency, or other assets used for this purpose in trade; a derivative is also any right

or obligation, assessable in monetary terms, relating to or derived from securities contracts; derivatives are in particular the financial instruments mentioned in Article 5 (1) (d) to (j); 'group with close links' means two or more natural persons or legal persons, where one of the legal persons or natural persons has in the other legal person a direct or indirect interest in its share capital or voting rights of 20 percent or more, or directly or indirectly controls the legal person, or any relation between two or more legal persons controlled by the same legal person or natural person;
f) 'qualified participation' means a direct or indirect share in a legal person, representing 10% or more percent of its share capital or voting rights calculated in accordance with a separate regulation, 24aa) or a share allowing to exercise significant influence over the management in this legal person;
g) 'indirect share' means a share held through an intermediary, namely through a legal person or persons controlled by the legal person;
h) 'control' means -
1. a direct or indirect share of more than 50 percent of the share capital or voting rights of a legal person;
2. the right to appoint or dismiss the statutory body, the majority of members of the statutory body, the Supervisory Board, or the director of a legal person;
3. the ability to exercise influence over the management of a legal person (hereinafter referred to as "decisive influence"):
3a. comparable with the influence that would attach to a holding under point 1, whether on the basis of the articles of association of the legal person, or a contract concluded between the legal person and its partner or member;
3b. on the basis of the relationship between a partner or member of the legal person and a majority of the members of the statutory body or a majority of the members of the supervisory board or a majority of the persons constituting another management, supervisory or oversight body of the legal person, established on the basis of their appointment by the respective partner or member of the legal person, where the relationship so established lasts until the preparation of the next consolidated financial statements after the right of the respective partner or member of the legal person has expired under point 2;
3c. comparable with the influence that would attach to a holding under point 1, on the basis of an agreement between the partners of the legal person; or
4. the ability to exercise decisive influence in any other way;
i) 'subsidiary' means a legal person controlled in the meaning of paragraph (h) and any subsidiary of such subsidiary;
j) 'parent company' means a legal person exercising control in the meaning of paragraph (h);
k) 'money market instruments' means instruments which are normally dealt in on the money market, such as treasury bills and certificates of deposit, and excluding instruments of payment; 24b)
l) 'participation' means a direct or indirect interest, or their sum, representing at least 20% of the share capital or voting rights of a legal person**,** or the possibility to exercise influence over the management of this legal person comparable with the interest corresponding to this share;
m) 'transferable securities' means those classes of securities which are normally dealt in on the capital market, with the exception of instruments of payment, such as:
1. shares, interim certificates, or other securities which in terms of the rights they carry are similar to shares issued in the Slovak Republic or abroad, and depository receipts24c) representing shares issued in the Slovak Republic or abroad; bonds or other debt securities created by the securitization of credits or loans issued in the Slovak Republic or abroad, and depository receipts 24c) representing such securities issued in the Slovak Republic or abroad;
3. any securities not mentioned in points one or two, whether issued in the Slovak Republic or abroad, which give the right to acquire securities under points one or two

or give rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures;
n) 'equity securities' means -
1) shares;
2) other securities carrying rights similar to those attached to shares;
3) transferable securities 24c) giving the right to acquire any shares or securities mentioned in subparagraph (2) as a consequence of their being converted or the rights conferred by them being exercised, provided that such transferable securities are issued by the issuer of the shares or securities under subparagraph (2) or by an entity belonging to the group (Article 138) of the said issuer;
o) 'non-equity securities' means all securities that are not equity securities;
p) 'offering programme' means a plan serving as the basis for the continuous or repeated issue of the following over a specified period -
1) non-equity shares of the same type;
2) warrants in any form;
r) 'securities issued in a repeated or continuous' manner means issues on tap or at least two separate issues of securities of the same type over a period of 12 months.
s) 'significant influence' means the possibility to exercise influence over the management in a legal person which is comparable to influence corresponding to the 10 % share or more percent share in the share capital or voting rights in the legal person.

ARTICLE 54
(1) A securities dealer shall be a joint-stock company which has its registered office in the territory of the Slovak Republic and whose scope of business comprises the provision of one or more investment services to clients, or the performance of one or more investment activities on the basis of an investment services licence issued by the National Bank of Slovakia.
(2) A licence to provide investment services allows a person to establish a stock brokerage firm or a branch of a foreign stock brokerage firm in the Slovak Republic and to carry on the business of a stock brokerage firm or a branch of a foreign stock brokerage firm in the extent and under the terms and conditions defined in the licence.
(3) It is prohibited for an entity other than a securities dealer to provide investment services or ancillary services under Article 6(2)(a) or to perform investment activities if it has not been licensed to do so by the National Bank of Slovakia in accordance with paragraph (1), unless otherwise provided in this Act or in a separate law. 48) The licence mentioned in paragraph (1) shall not be required in respect of the following:
a) activities of members of the European System of Central Banks, the National Bank of Slovakia under a separate law, 49) other national central banks, the Debt and Liquidity Management Agency for certain activities related to the management of public debt and liquidity that it is delegated to perform under a separate regulation, 49a) and public authorities of other countries that are charged with or intervene in the management of public debt;
b) persons which provide investment services exclusively for their parent undertakings, for their subsidiaries or for the subsidiaries of their parent undertakings;
c) persons providing an investment service where that service is provided in an incidental manner in the course of a professional activity and that activity is regulated by generally binding legal regulations or a code of ethics governing the profession which do not exclude the provision of that service;
d) persons who do not provide any investment services or activities other than dealing on own account unless they are market makers or deal on own account outside a regulated market or a multilateral trading facility on an organized, frequent and systematic basis by providing a service accessible to third parties in order to engage in dealings with them; a market maker here means a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial

instruments against his propriety capital at prices defined by him;
e) persons which provide investment services consisting exclusively in the administration of employee-participation schemes;
f) persons which provide investment services comprising the administration of employeeparticipation schemes and the provision of investment services exclusively for their parent undertakings, for their subsidiaries or for the subsidiaries of their parent undertakings;
g) persons dealing on own account in financial instruments or providing investment services in commodity derivatives or derivative contracts included in Article 5(1)(j) to clients, provided this is an ancillary activity to their main business, when considered on a group basis, and that main business is not the provision of investment services within the meaning of this Act or banking services under a separate law; 15)
h) persons providing investment advice in the course of providing another professional activity not covered by this Act provided that the provision of such advice is not specifically remunerated;
i) persons whose main business consists of dealing on own account in commodities or commodity derivatives. This exemption shall not apply where the persons that deal on own account in commodities or commodity derivatives are part of a group the main business of which is the provision of other investment services, investment activities or banking services within the meaning of a separate law; 15)
j) firms which provide investment services or investment activities consisting exclusively of dealing on own account on markets in financial futures or options or other derivatives and on cash markets for the purpose of hedging positions on derivatives markets, or which deal for the accounts of other members of those markets or make prices for them and which are guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such firms is assumed by clearing members of the same markets.
(4) A foreign stock brokerage firm is a legal person or natural person having its registered office outside the territory of the Slovak Republic which provides investment services and which has a licence to perform these activities in its home country.
(5) A branch of a foreign stock brokerage firm is an organisation unit of the foreign stock brokerage firm located in the territory of the Slovak Republic, 50) which performs all or some investment services; all branches of a foreign stock brokerage firm established in the Slovak Republic by a foreign stock brokerage firm with its registered office in a Member State shall be deemed to be a single branch of a foreign stock brokerage firm in terms of the licence to provide investment services.
(6) A foreign stock brokerage firm may provide investment services in the territory of the Slovak Republic only through its branch and only if it has been granted a licence by the National Bank of Slovakia to provide investment services under Article 56, unless otherwise provided by this Act.
(7) A stock brokerage firm or a branch of a foreign stock brokerage firm may not perform for third parties any activities other than investment services, except for mediation for other financial institutions under a separate law, the performance of member's activities, the production and dissemination of investment recommendations, and the performance of non-cash transactions in foreign exchange funds. Prior to the commencement of non-cash transactions in foreign exchange funds a stock brokerage firm and a branch of a foreign stock brokerage firm shall document to the National Bank of Slovakia the methods of security against risks and the method of measurement, monitoring and management of these risks and a procedure for preparation, arranging, execution and settlement of transactions, including the mechanism and the rules of price formation. Execution of non-cash transactions in foreign exchange funds may be commenced by a stock brokerage firm or by a branch of a foreign stock brokerage firm on the basis of a written notice by the National Bank of Slovakia on performance of the condition as per second sentence. (8) The business name of a stock brokerage firm other than a bank must contain the
words "stock brokerage firm" or the abbreviation "o.c.p." No other entities may use this

designation in their business name.
(9) The provisions of the Commercial Code shall apply to stock brokerage firms and branches of foreign stock brokerage firms, unless this Act or a separate law 15) provides otherwise.
(10) A stock brokerage firm may issue securities only as registered book-entry securities; a change of their type or form is not allowed.
(11) The share capital of a stock brokerage firm shall be at least 730,000 euros unless this Act provides otherwise.
(12) (12) Share capital of a securities dealer that provides investment services under Article 6(1) (a), (b) or (d) and is not authorized to provide investment service under Article 6 (1) (c) or underwrite financial instruments based on the fixed commitment shall be at least 125,000 euros.
(13) Share capital of a securities dealer under paragraph 12 that is not authorized, in providing investment services, keep funds or financial instruments of the client shall be at least 50,000 euros.
(14) The share capital of a stock brokerage firm providing only investment services pursuant to Article 6 par. 1 a) or e), and in providing them, which is not authorized to keep funds or financial instruments of the client shall be at least 50,000 euros.
(15) The share capital requirement under paragraph (14) may be substituted by professional indemnity insurance for the activity under the first sentence, including a minimum insurance benefit of 1 million euros per insurance event and 1.5 million euros in total for all insurance events in a single year, or a combination of initial capital and insurance in a ratio approved by the National Bank of Slovakia at the request of the securities dealer. Where a securities dealer also carries out insurance mediation under a separate law 50a) and imposes insurance requirements under a separate law, 50b) this securities dealer shall be subject to the sole additional requirements of 25,000 euros in share capital or 500,000 euros in insurance coverage for each insurance event and 750,000 euros in total for all insurance events in a single year, or a combination thereof in a ratio approved by the National Bank of Slovakia at the request of the securities dealer.

ARTICLE 55

(1) A licence to provide investment services shall be issued by the National Bank of Slovakia. An application for a licence to provide investment services shall be submitted to the National Bank of Slovakia by the founders of the stock brokerage firm, unless this Act provides otherwise. If a bank is applying for a licence to take up and carry on the business of a stock brokerage firm, the application shall be submitted by the Board of Directors of the bank. (2) For the licence mentioned in paragraph (1) to be granted, the fulfilment of the following conditions must be evidenced:
a) paid up share capital of the stock brokerage firm as required under Article 54;
b) transparent and credible source of share capital and other financial resources of the stock brokerage firm;
c) suitability of persons with qualified interest in the stock brokerage firm and transparency of relations between these persons, in particular transparency of their interests in share capital and voting rights;
d) the professional competence and trustworthiness of persons nominated as members of the board of directors or managerial employees (hereinafter 'senior management'), persons responsible for the compliance function, risk management function or internal audit function;
e) transparency of a group with close links of which a shareholder with qualified interest in the stock brokerage firm is a member;
f) close links within a group mentioned in paragraph (e) do not prevent effective supervision;
g) the law and its application in the country where a group mentioned in paragraph (e) has close links do not prevent effective supervision;
h) a securities dealer shall have its registered office and head office in the territory of the Slovak Republic; 'head office' means the place from where the operation of the securities

dealer is managed or the place where the securities dealer keeps the documents on its operation that are required for the exercise of supervision;
i) the professional competence and trustworthiness of natural persons who are members of the statutory body of the financial holding company or mixed financial holding company, and the suitability of shareholders controlling the financial holding company or the mixed financial holding company, where the grant of the licence under paragraph (1) would mean the stock brokerage firm becoming part of the consolidated group under Article 138, of which the financial holding company is a part, or becoming part of the financial conglomerate under Article 143b, of which mixed financial holding company is a part.
(3) An application for a licence pursuant to paragraph 1 shall contain:
a) business name and registered office of the future stock brokerage firm;
b) identification number of the future stock brokerage firm if it has already been assigned;
c) amount of share capital of the future stock brokerage firm;
d) list of shareholders with qualified interest in the future stock brokerage firm; the list shall contain the name, permanent residence and birth registration number, if a natural person, or business name, registered office, and identification number, if a legal person, and the size of their qualified interest;
e) proposed range of investment services to be provided by the stock brokerage firm and in relation to which financial instruments; the applicant must specify at least one of the investment services,
f) material, personnel, and organisational provisions for providing services of a stock brokerage firm,
g) name, permanent residence and birth registration number of proposed members of the Board of Directors, members of the Supervisory Board, proxies, and executive officers 51) of the stock brokerage firm reporting directly to the Board of Directors, and persons responsible for the compliance function (Article 71a), risk management function (Article 71b), and the internal audit function (Article 71c).
(4) Attached to an application pursuant to paragraph (1) shall be: a) a founder's deed or founder's contract;
b) draft articles of association of the stock brokerage firm;
c) draft organisational structure of the stock brokerage firm, operating rules of the stock brokerage firm (Article 71) and a proposed commercial strategy of the stock brokerage firm;
d) brief professional resume, document certifying achieved education and professional experience of persons proposed as members of the Board of Directors and executive officers51) of the stock brokerage firm reporting directly to the Board of Directors;
e) extracts from the criminal register not older than three months for persons specified in Article 3(g), and their declaration that they comply with requirements established by this Act and documents proving their professional competence, if this is required for such persons;
f) a written statement by the founders that neither bankruptcy was declared nor a compulsory settlement 52) permitted on their property;
g) proof that the share capital was paid up;
h) draft rules of a multilateral trading facility, 52a) if the securities dealer is to organize a multilateral trading facility.
(5) The National Bank of Slovakia shall decide on an application pursuant to paragraph (1), within a deadline stipulated by a separate law, 53) based on an assessment of the application, its annexes, and an evaluation of material, personnel, and organisational provisions in relation to the proposed range of investment services, investment activities and ancillary services, but not later than six months after the submission date of the application mentioned in paragraph (1).
(6) The National Bank of Slovakia shall reject an application pursuant to paragraph (1) if the applicant does not comply with any of the conditions specified in paragraph (2). The reason for rejection of an application under paragraph (1) may not be the economic needs of the market.
(7) Prior to commencing the performance of licensed activities, a securities dealer shall demonstrate to the National Bank of Slovakia that in technical, organizational and

personnel terms it is prepared for carrying out the licensed activities.
(8) A securities dealer may begin to perform activities stated in its investment services licence after being notified in writing by the National Bank of Slovakia that it has fulfilled the condition laid down in paragraph (7).
(9) A stock brokerage firm is required to comply with the conditions defined in paragraphs (2) and (7) throughout the term of its licence to provide investment services.
(10) The form of documenting compliance with the conditions specified in paragraph (2) shall be stipulated by a decree to be issued by the National Bank of Slovakia and promulgated in the Collection of Laws.
(11) Professional competence of persons proposed as members of the Board of Directors and executive officers 51) of the stock brokerage firm reporting directly to the Board of Directors, and persons in charge of the compliance function, risk management function, and the internal audit function means a university degree together with at least three years' experience in the financial market field, or the completion of full secondary education or full secondary vocational education with at least ten years' experience in the financial market field, including at least three years in a management position. A member of the statutory body of a financial holding institute or mixed financial holding company shall be deemed to have professional competence if he is a natural person with expertise and experience in the financial field.
(12) A person is deemed suitable with regard to evaluation of conditions pursuant to paragraph 2(c), if it can reliably document meeting the conditions specified in paragraph 2(b), and it is under all circumstances evident that the person will ensure proper performance of investment services in the interest of financial market stability.
(13) Suitability of shareholders controlling a financial holding company or mixed financial holding company means having the ability to ensure in the interest of financial market stability the due and secure performance of the activities of regulated entities that are part of a consolidated group controlled by the financial holding company, or part of a financial conglomerate controlled by the mixed financial holding company.

ARTICLE 56

(1) A licence for a foreign stock brokerage firm to provide investment services through its branch in the Slovak Republic shall be issued by the National Bank of Slovakia. An application for a foreign stock brokerage firm's licence to provide investment services shall be submitted to the National Bank of Slovakia by the foreign stock brokerage firm.
(2) The following conditions must be met to obtain the licence mentioned paragraph (1):
a) sufficient volume and transparency of finances provided by the foreign stock brokerage firm to its branch with respect to the range and risk level of the business of the branch;
b) trustworthiness of the foreign stock brokerage firm and its financial strength corresponding to the scope of business of the branch;
c) professional competence and trustworthiness of persons proposed by the foreign stock brokerage firm as executive officers of its branch;
d) transparency of a group with close links of which the foreign stock brokerage firm is a member;
e) close links within a group pursuant to paragraph (d) do not prevent effective supervision,
f) the law and its application in the country where the group mentioned in (d) has close links do not prevent effective supervision;
g) the foreign stock brokerage firm seeking to operate through its branch in the Slovak Republic has its principal place of business in the country where it has its registered office;
h) the laws of the country in the foreign securities dealer has its registered office require compliance with conditions regarding the performance of activities and maintenance of capital adequacy which are not lower that those stipulated for securities dealers under this Act.
(3) In the licence application pursuant to paragraph (1), a foreign stock brokerage firm shall provide information as specified in Article 55(3)(d) and (e) and in addition:
a) business name and registered office of the foreign stock brokerage firm, and the location of its branch in the territory of the Slovak Republic;

b) material, personnel, and organisational provisions for providing services pursuant to paragraph (1) in the territory of the Slovak Republic; name and permanent residence of the manager of the branch of the foreign stock brokerage
firm and his deputy, as well as information about their professional qualifications and their residence.
(4) Attached to an application under paragraph (1) shall be:
a) a licence to provide services in the field of securities in the latest complete wording issued in accordance with applicable legislation of the country where the foreign stock brokerage firm has its registered office;
b) audited financial statements for the past three years; if the foreign stock brokerage firm is a part of a consolidated group, it shall include consolidated financial statements for the past three years;
c) an extract not older than three months from the criminal register for persons specified in paragraph 2(c); a foreign natural person shall present a document of similar nature issued by a competent authority in the country of which he is a citizen, and countries in which the person resided for at least six straight months over the past five years; if these countries do not issue such documents, a natural person may satisfy the obligation with a declaration instead;
d) a brief career resume, a document certifying completed education and professional experience of persons proposed as the manager of the branch of the foreign stock brokerage firm and his deputy;
e) consent of a competent authority of the country where the foreign stock brokerage firm has its registered office to the incorporation of a branch of the foreign stock brokerage firm in the Slovak Republic, if such approval needs to be issued according to the law of the country where it has its registered office;
f) an opinion of the supervisory authority of the country where the foreign stock brokerage firm has its registered office as to the establishment of a branch in the Slovak Republic, as well as a written commitment of the supervisory authority to give the National Bank of Slovakia timely notification in writing about any changes in capital adequacy of the foreign stock brokerage firm and other facts that could impair the ability of the foreign stock brokerage firm and its branch to meet its liabilities;
g) draft rules of a multilateral trading facility, 52a) if the foreign securities dealer is to organize a multilateral trading facility.
(5) Prior to commencing the performance of licensed activities, the branch of a foreign securities dealer shall demonstrate to the National Bank of Slovakia that in technical, organizational and personnel terms it is prepared for carrying out the licensed activities. The branch of a foreign securities dealer may begin to perform activities stated in its investment services licence after being notified in writing by the National Bank of Slovakia that it has fulfilled the condition laid down in the first sentence.
(6) The National Bank of Slovakia shall decide about an application pursuant to paragraph (1) within a deadline stipulated by a separate law 53) based on an evaluation of the application and its annexes.
(7) The National Bank of Slovakia shall reject an application pursuant to paragraph (1) if the applicant does not comply with any of the conditions specified in paragraph (2) and the National Bank of Slovakia has not refrained from demanding information and documents as provided in paragraph (5). A reason for the rejection of an application pursuant to paragraph (1) may not be economic needs of the market. (8) A reason for rejection of an application may not be that the legal form of the foreign
stock brokerage firm does not correspond to the legal form of a joint stock company.
(9) The conditions set out in paragraphs (2) and (5) must be met throughout the term of the licence to provide investment services.
(10) The method for documenting compliance with the conditions specified in paragraph (2) shall be stipulated by a generally binding legal regulation to be issued by the National Bank of Slovakia.

(11) Professional competence of persons proposed as the manager of a branch of a foreign stock brokerage firm and his deputy means a university degree together with at least three years' experience in the financial market field, or the completion of full secondary education or full secondary vocational education with at least ten years' experience in the financial market field, including at least three years in a management position.

ARTICLE 59

(1) A licence to provide investment services is granted for an indefinite period and may not be transferred to another legal or natural person, and does not pass on to a legal successor. An investment services licence shall be valid in all Member States and shall allow a securities dealer to provide the licensed activities in the territory of another Member State either through the establishment of a branch or the freedom to provide services in accordance with Articles 63, 64 and 66.

(2) In addition to general information specified by a separate law, 54) the decision granting a licence to provide investment services shall state:

a) business name and registered office of the stock brokerage firm or business name, registered office, and location of a branch of a foreign stock brokerage firm;

b) what investment services the stock brokerage firm or foreign stock brokerage firm may provide and in relation to what financial instruments or derivatives it may provide them;

c) name, permanent residence and birth registration number of members of the Board of Directors and the Supervisory Board, or the manager of the branch of a foreign stock brokerage firm.

(3) A licence to provide investment services must contain at least one of the core investment services. A licence to provide investment services may also specify conditions that a stock brokerage firm or a foreign stock brokerage firm must comply with before beginning to perform, or while performing any of the licensed activities. A licence to provide investment services may restrict the performance of some investment services.

(4) On the request of a stock brokerage firm or a foreign stock brokerage firm, the National Bank of Slovakia may change a licence to provide investment services by issuing a decision to this effect. The National Bank of Slovakia shall proceed, as appropriate, in accordance with the provisions of Article 55 or Article 56 when assessing an application to change a licence to provide investment services. Any changes in the licence to provide investment services prompted merely by a change of the name or permanent residence, of persons already approved pursuant to Article 70 as members of boards of a stock brokerage firm or a branch of a foreign stock brokerage firm do not require further approval by the National Bank of Slovakia. The stock brokerage firm or foreign stock brokerage firm, however, shall notify the change in writing to the National Bank of Slovakia within 30 days from its being made.

(5) Stock brokerage firms or foreign stock brokerage firms shall file an application with a competent court for the registration in the Commercial Register of their licensed activities based on a licence to provide investment services, or a change thereto, within ten days after this licence or its change comes into force, and they shall be obliged to submit to the National Bank of Slovakia an extract from the Commercial Register within ten days after the entry into force of a court order to make the entry in the Commercial Register or to change the corresponding entry. The obligation to submit to a court an application for such entry in the Commercial Register shall not apply where the licence to provide investment services is no more than a prerequisite for the grant or change of a licence pursuant to a separate law. 15)

(6) A securities dealer or foreign securities dealer shall without delay notify the National Bank of Slovakia of any change in the conditions on which basis its investment service licence was issued where this could affect the ability of the securities dealer or foreign securities dealer to perform activities within the scope of the licence, and in particular any change in the facts referred to in Article 55(3) or in Article 56(3). In the case of changes for which the prior approval of the National Bank of Slovakia is required, this obligation shall be deemed fulfilled by the submission of the application for that prior approval. In the case of changes relating to managerial employees, there shall also be stated information that allows

an assessment of whether a new managerial employee fulfils the conditions laid down in Article 55(2)(d).

ARTICLE 70

Prior approval of the National Bank of Slovakia

(1) Prior approval of the National Bank of Slovakia shall be required to:
a) acquire qualified participation in a stock brokerage firm or exceed qualified participation in a stock brokerage firm so that the interest in share capital of the stock brokerage firm or voting rights of the stock brokerage firm reaches or exceeds 20 %, 30 % or 50 % or so that the securities dealer becomes a subsidiary in one or several operations directly, or by action in concert;55 for the calculation of such interests, the voting rights shall not be taken into account or such shares which another securities dealer, a foreign securities dealer, a credit institution or a foreign credit institution maintain as a result of underwriting or placing of financial instruments on a firm commitment basis [Article 6 par. 1 f)], unless such rights are exercised or performed otherwise to interfere with the management of the securities dealer, and provided that they are transferred by another securities dealer, by the foreign securities dealer, the credit institution or the foreign credit institution to a third party within a year upon their acquisition,
b) reduce share capital of a stock brokerage firm, except as a consequence of a loss;
c) appoint persons proposed as members of the Board of Directors of a stock brokerage firm, manager of a branch of a foreign stock brokerage firm; if the activity of a stock brokerage firm is performed by a bank or a branch of a foreign bank, such prior approval applies only to those persons who would be in charge of the business of the stock brokerage firm;
d) change the registered office of a stock brokerage firm; e) merge, consolidate, or split a stock brokerage firm, including a merger of another legal
person with the stock brokerage firm, or to return the licence to provide investment services;
f) sell a stock brokerage firm, a branch of a stock brokerage firm, or any part thereof; 33)
g) execute activities of a member.
(2) For prior approval to be issued by the National Bank of Slovakia, the conditions specified in Article 55(2), must be satisfied as appropriate. For prior approval pursuant to paragraph (1)(a), (e) and (f), to be issued, it is necessary to prove the transparent and trustworthy source in accordance with a separate law55a of finances and their sufficient amount and suitable structure for the action the prior approval is sought for. Prior approval according to paragraph 1 a) may be issued only provided that it has not been proved that the acquisition or exceeding of the interest by the transferee will adversely affect the ability of the stock brokerage firm to further fulfil the obligations requested by this Act. For prior approval pursuant to paragraph (1)(g) to be issued, it is necessary to submit proof of technical and organisational readiness to execute the activities of a member. A split, consolidation, merger or dissolution of a stock brokerage firm, including a merger of another legal person with a stock brokerage firm, must not be to the detriment of creditors of the stock brokerage firm.
(3) The provisions of paragraph (1),(a), (b), (e) and (f), are without prejudice to the provisions of a separate law. 56)
(4) An application for prior approval shall be made:
a) under paragraph (1)(a), by natural persons or legal persons which have decided to acquire or exceed qualified participation in a stock brokerage firm, or a person which has decided to become the parent company of a stock brokerage firm;
b) under paragraph (1)(b), by a stock brokerage firm;
c) under paragraph 1(c), by a stock brokerage firm, a branch of a stock brokerage firm, or a shareholder of a stock brokerage firm;
d) under paragraph 1(d), by a stock brokerage firm;
e) under paragraph 1(e), by a stock brokerage firm and, if the approval is sought for a merger or consolidation, by both a stock brokerage firm and a legal person which the stock brokerage firm plans to merge with or consolidate;
f) under paragraph 1(f), jointly by a stock brokerage firm or a foreign stock brokerage firm and the entity that is acquiring the stock brokerage firm, a branch of the foreign stock brokerage

firm, any part thereof;
g) under paragraph 1(g), by a stock brokerage firm or a foreign stock brokerage firm.
(5) The particulars of an application for prior approval pursuant to paragraph (1) shall be stipulated by a decree to be issued by the National Bank of Slovakia and promulgated in the Collection of Laws.
(6) The National Bank of Slovakia shall confirm the delivery of an application for prior approval as per par. 1 a) in writing within two business days of the delivery of such application to the transferee; the same applies also to any subsequent delivery of the particulars of the application, which have not been delivered together with the application. The National Bank of Slovakia may not later than on the 50th business day of the period for examination of applications pursuant to par. 7 demand additional information in writing, which is necessary to examine applications for prior approval pursuant to par. 1 a). For a period from the date of sending a demand of the National Bank of Slovakia for additional information up to delivery of an answer, proceedings on the prior approval shall be suspended, however, maximum for 20 business days. If the National Bank of Slovakia demands additional information or the specification of information, the period for decision on the prior approval shall not be suspended. The period for the suspension of proceedings according to the third sentence may be extended by the National Bank of Slovakia up to 30 business days, if the transferee has its registered office or is governed by legal regulations of a non-Member State, or if the transferee is not a securities dealer, asset management company, credit institution, insurance company, reinsurance company or a similar institution from the Member State.
(7) The National Bank of Slovakia shall decide on an application for prior approval made pursuant to paragraph (1)(a), within 60 business days of a written confirmation of delivery of the application for prior approval pursuant to paragraph (1) (a), and upon delivery of all particulars of the application. If the National Bank of Slovakia fails to decide in this period, it appears that the prior approval has been issued. The National Bank of Slovakia shall inform the transferee of the date when the period for the issuance of a decision lapses in confirmation of delivery pursuant to par. 6. If the National Bank of Slovakia decides to reject the application for prior approval under par. (1)(a), they shall send this decision in writing to the transferee within two business days of such decision, however, before the lapse of the period according to the first sentence. The National Bank of Slovakia shall decide on the application for prior approval pursuant to paragraph (1)(c) within 15 business days of its delivery or additional information.
(8) If the acquisition referred to in paragraph 1(a) would result in a stock brokerage firm becoming part of consolidated group in the meaning of Article 138 to 143 of which a financial holding institution is also a part, or becoming part of a financial conglomerate in the meaning of Articles 143a to 143o of which a mixed financial holding company is also a part, the grant of prior approval by the National Bank of Slovakia shall also be subject to proving the trustworthiness and professional competence of the natural persons who are members of the statutory body of this financial holding company or mixed financial holding company, and the suitability of the shareholders controlling the financial holding company or mixed financial holding company.
(9) If the transferee referred to in paragraph (1)(a) is (a) a foreign credit institution, foreign securities dealer or a foreign management company with a licence granted in another Member State, an insurance company from another Member State, reinsurance company from another Member State, b) a parent company of entity as per letter a), or c) a natural person or legal person controlling an entity as per letter a), when considering the fulfilment of conditions according to paragraph (2) the National Bank of Slovakia shall consult it with the competent authorities of other Member States.
(10) The National Bank of Slovakia shall consult the fulfilment of conditions for the acquisition of holdings in a foreign securities dealer according to legal regulations of the Member States with the competent authorities of other Member States, if the transferee of any holding in a foreign securities dealer is a credit institution, insurance company, reinsurance

company, securities dealer or a management company whose registered office is in the territory of the Slovak Republic. (11) The subject of consultation as per par. 9 and 10 shall be timely disclosure of
relevant information or required information for examining of the fulfilment of conditions for the acquisition of the relevant holdings in a securities dealer or in a foreign securities dealer. The National Bank of Slovakia shall provide the competent authority of a Member State, on its demand, with all required information, and at its own instance, with all relevant information. The National Bank of Slovakia shall ask the competent authority of a Member State for all required information.
(12) A decision on the prior approval pursuant to paragraph (1)(a) shall include views or reservations reported to the National Bank of Slovakia by the competent authority of another Member State, to the supervision of which the transferee as per par. (1)(a) is subject.
(13) In a decision on the prior approval referred to in par.(1)(a), (b), (e) to (g) the National Bank of Slovakia shall specify a period by the lapse of which the prior approval shall expire, unless an action is executed, for which the prior approval is granted. This period shall not be shorter than three months and longer than one year of granting the prior approval, unless a different period is set by the National Bank of Slovakia in the interest of protecting the investors. If a natural person for whom the National Bank of Slovakia has granted the prior approval referred to in par. (1)(c) is not appointed or elected to the relevant function within six months of the decision becoming valid, the prior approval shall expire.

ANNEX XVIII: METHODOLOGICAL GUIDANCE OF THE FINANCIAL MARKET SUPERVISION UNIT OF THE NATIONAL BANK OF SLOVAKIA OF 17 DECEMBER 2009 NO. 4/2009 FOR PROTECTION OF A BANK AND BRANCH OFFICE OF A FOREIGN BANK AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

By virtue of Art. 1 (3) a) 3. of Act No. 747/2004 Coll. on financial market supervision, as amended, the National Bank of Slovakia, the Financial Market Supervision Unit, issues the following guidance in collaboration with the Ministry of the Interior of the Slovak Republic, the Financial Police Intelligence Unit and the Ministry of Finance of the Slovak Republic.

PURPOSE AND CONTENT

Banks and branches of foreign banks (hereinafter collectively referred to as a „bank“) are exposed to the risk that customers will misuse their services in the process of legalization of income gained by means of criminal activity (hereinafter referred to as „money laundering“) or for terrorist financing. Financial losses are impending over banks, if they neglect the identification and assessment of their customers, do not detect unusual financial operations of customers, or their employees help the customers to misuse the bank for money laundering, for terrorist financing or for fraud. If the bank gets into connection with money laundering or terrorist financing due to insufficient prudence in the conduct of banking activities, it will suffer a loss of credit as a result of negative publicity, and thereby also a loss of confidence of the public and an economic loss, which can cause a loss of confidence of the public in other banking entities and an impairment of the stability of the banking system. Integrity and honesty of the management and its resolve to prevent that the bank is used for money laundering or terrorist financing, are primary protection against such efforts. Bank managers not only must have a concept for protection against money laundering and terrorist financing, but they also must put through effective measures, which ensure particularly
- the ascertainment (hereinafter referred to as „identification“) and verification (hereinafter referred to as „verification“) of the actual identity of customers – persons entering into business relationships with the bank,
- the detection and rejection of customers and operations that are unusual, and
- the necessary cooperation with police bodies and supervisory authorities, the public prosecutor‘s office and courts.

As of 1 September 2008, banks are obliged to comply with duties and apply rights focusing on the prevention of money laundering and terrorist financing in the banking system, as regulated by Act No. 297/2008 Coll. on the prevention of money laundering and terrorist financing and on amendments to certain acts (hereinafter referred to as the “Act”) and, at the same time, to proceed in accordance with the provisions of Act No. 483/2001 Coll. on banks and on amendments to certain acts as amended (hereinafter referred to as the “AOB”). The duties and rights regulated by the Act result from the implementation of Directive No. 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (hereinafter referred to as the “third directive”), adopted in June 2005, published on 26 October 2005 in the Official Journal of the European Union and effective from 15 December 2005. The details and implementing measures for the third directive are regulated by Directive 2006/70/EC laying down the definition and technical aspects of politically exposed persons and the technical criteria for simplified diligence.
The purpose of this methodological guidance is to provide banks with explanatory material for the fulfillment of their tasks resulting from the provisions of the Act and the AOB and focusing on the prevention of money laundering and terrorist financing in the financial system, by which forty recommendations of June 2003 and nine special recommendations of the Financial Action Task Force (in addition to duties resulting from EU Regulation No. 1781/2006 on information on the payer accompanying transfers of funds) and the special recommendation VII) have been taken over.

Duties laid down by the above mentioned laws are the minimum requirements imposed on banks in their protection against money laundering and protection against terrorist financing. However, in accordance with the purpose pursued by the Act and by this methodological guidance, banks can use also more advanced and stringent procedures, particularly procedures that are already in general use and time-tested in their practice or in the practice of their parent companies from other member states of the European union, so that they can contribute in a better way to the implementation of a global policy of prevention and protection against money laundering and terrorist financing within the financial group they are part of.

The methodological guidance is subdivided into the following parts:

A.The concept and basic principles of protection of a bank against money laundering and against terrorist financing
B..Employees responsible for the implementation of tasks OF protection against money laundering and terrorist financing
C. Program of bank activities against money laundering and terrorist financing
D. Acquaintance, education of employees, information system
F. Identification, delaying and reporting of an UBO
G. Measures against terrorist financing
H. Preservation of data and documentation
I. The ensuring, system and performance of internal control

To an adequate extent and taking into account the circumstances, the text of this methodological guidance, which relates to a bank, the statutory body of the bank, a member of the statutory body of the bank or the chairman of the managing board of a bank and the employees of the bank, also applies to the branch office of a foreign bank, the head of the branch office of a foreign bank, the deputy head of the branch office of a foreign bank and to the employees of the branch office of a foreign bank.

A.THE CONCEPT AND BASIC PRINCIPLES OF PROTECTION OF A BANK AGAINST MONEY LAUNDERING AND AGAINST TERRORIST FINANCING

The basic duties and rights aimed at protection against money laundering and terrorist financing are regulated by the Act and the AOB. In addition to the Act and the AOB, a Bank shall create its regulations and particular procedures on the basis of decrees of the National Bank of Slovakia, particularly the Decree of the NBS No.

12/2004 on risks and the risk management system as amended by Decree of the NBS No.

15/2006, as well as on the basis of its own articles of association. In doing so, the bank takes into account its business objectives, the existing clientele, the extent of banking activities and products (types of transactions) and the related potential threat of their misuse for the purposes of money laundering and terrorist financing.

The articles of association of the bank define the organizational structure of the bank and the bank management system, the responsibilities of persons and units and within those issues also the management of risks, to which the bank is exposed during its activities. The protection against money laundering and terrorist financing shall be part of the risk management in the bank.

The bank must have its own concept of protection against its misuse for money laundering and terrorist financing (hereinafter referred to as “bank protection concept”) both with respect to its customers and with respect to its own employees, who, in performing their work duties, could misuse their job assignment in the bank for a purpose associated with money laundering or terrorist financing. The bank protection concept is adopted by the statutory body, with the concept having to be

a) reflected in the organizational structure of the bank and its internal regulations in the form of adequate procedures and activities and
b) continuously put through and implemented by members of the statutory body, managerial employees1 and employees who perform the financial operations of the bank's customers at the individual operations of the bank.

Within the bank protection concept, the statutory body should declare and publish its objective and idea as to how to prevent a misuse of the bank for money laundering and terrorist financing.

Such a position of the statutory body should be clearly announced not only to the employees, but also to the customers of the bank and to the public, e.g. by publishing for example at the operation premises of the bank, on the web site of the bank or in the annual report of the bank.

The bank protection concept includes the setting of basic preconditions and conditions for an ongoing implementation of measures for protection against money laundering and terrorist financing in the conduct of banking activities and implementation of transactions with customers in areas regulated by the Act and in parts B to I of this methodological guidance. Art. 7 (20) of Act No. 483/2001 Coll. on banks and on amendments to certain acts as amended.

B. EMPLOYEES RESPONSIBLE FOR THE IMPLEMENTATION OF TASKS OF PROTECTION AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

The overall protection of a bank against money laundering and terrorist financing is the responsibility of the statutory body of the bank. The bank shall set, by means of an organizational measure, a member of the statutory body (the chairman of the managing board or another managerial employee) as the person responsible for proper protection of the bank against money laundering and terrorist financing. The person in charge of the management of the said field is responsible, together with the designated person, for the implementation of the bank protection policy.
The practical implementation of the main tasks, the compliance with and the ongoing updating of the procedures of the bank in the field in accordance with legal regulations, articles of association of the bank and international standards are the responsibility of the designated person.
In banking terminology, or the terminology of international institutions enforcing the principles of prevention of money laundering and terrorist financing, the term "anti-money laundering compliance officer" is in general use; the term refers to an employee of the bank (or a financial or other institution) who ensures the meeting of the tasks of protection against money laundering and terrorist financing. Because the Slovak language has no adequate expression for such a position or office, the methodological guidance uses the term "designated person" or the abbreviation "DP" in accordance with Art. 20 (2) h) of the Act.
Within the bank's duty to subdivide and regulate the powers and responsibility for protection against money laundering and protection against terrorist financing in its articles of association2, the bank shall regulate the status of the DP in such a way that it is directly subordinated to the highest management level of the bank in terms of organization. The DP is active within the headquarters of the bank. The bank shall ensure full-fledged deputisability of the DP by determining a deputy to the DP.
If the bank also establishes a unit responsible for the conduct of activities necessary to ensure the tasks of the prevention system (hereinafter referred to as the "prevention unit"), the DP is the head of the unit. The tasks of the organizational unit include the responsibility for the preparation of the necessary regulations and procedures and the fulfilment of management and control tasks in this field.
A sufficiently independent status of the DP, the deputy to the DP and of the prevention unit in the structure of managerial employees and organizational units is an important element of the system of protection against money laundering and terrorist financing. The incorporation of the DP in the

organizational structure of the bank contains the following elements guaranteeing a relatively independent status of the DP, the deputy to the DP and the prevention unit:
- the appointment and discharge of the DP and the deputy to the DP and by the statutory body, following a previous discussion with the supervisory board of the bank or with its chairman,
- the prescription of the powers and duties of the DP and the deputy to the DP in their job descriptions,
- separation from units ensuring for the customers of the bank the conduct of transactions or financial operations of the customers,
2 Art. 23 (1) h) of Act No. 483/2001 Coll. on banks and on amendments to certain acts as amended
- unlimited access of the DP and deputy to the DP to all documents and databases of the bank,
- independent decision-making of the DP and the deputy to the DP when assessing the unusualness of the business operations (hereinafter referred to as "UBO") of the bank's customers, of which it has been notified by the competent employees of the bank within the internal notification system,
- decision-making regarding the sending of a report on the UBO to the financial intelligence unit (hereinafter referred to as the "FIU"),
- the control function of the DP, the deputy to the DP and the prevention unit with respect to the units and competent employees ensuring the conduct of transactions or financial operations of the customers,
- separation of the DP, the deputy to the DP and the prevention unit from the internal control and internal audit unit in the organizational structure of the bank, while simultaneously preserving their activity for subsequent control performed by the internal control and internal audit unit.
Within the selection procedure for the office of a DP and a deputy to the DP, the bank requires the candidates to prove their integrity, adequate education and an appropriate professional experience. The DP and the deputy to the DP are obliged to exercise their offices with due diligence. They are responsible for drawing up the appropriate internal regulations, educating the competent employees, adopting internal notifications of a UBO and the evaluation thereof, making decisions on reporting UBO and timely reporting of UBO to the financial intelligence unit.
The duties and rights of the designated person comprise above all
- ensuring the implementation of the bank protection concept,
- drawing up and ongoing updating the internal rule for protection against money laundering and protection against terrorist financing, cooperation in drawing up possible associated regulations related to this issue for the individual units of the bank, types of transactions and financial operations of customers,
- cooperation with the internal control and internal audit unit in the procedure under Art. 41 (2) AOB, as well as the powers to participate in the process of commenting or evaluation of new types of transactions (products) of the bank under preparation in terms of the risk related to money laundering and terrorist financing, and to express a dissenting opinion to the introduced new types of transactions, if it represents a disproportionate exposure to that risk for the bank,
- organizing the education of the competent employees of the bank and of newly employed employees participating in the implementation of transactions and financial operations of the customers,
- accepting internal notifications of a UBO,
- reporting UBO to the financial intelligence unit and maintaining work contacts with the FIU on an ongoing basis,
- monitoring the compliance with internal regulations and procedures for this field, including the conduct of controls with respect to the assessment and notification of a UBO by the competent employees in connection with the implementation of transactions and financial operations of customers,
- regular provision of information to the statutory body of the bank (at least, however, two times a year and, if needed, also extraordinarily) on the results of its own activities and of the activities of the prevention unit, separately on the number and content of the detected

UBO, the most frequently recurring UBO types, the number and content of reports on a UBO sent to the FIU, the number and content of unsent reports and the reasons for the decision not to report,
- proposing measures to the statutory body in connection with UBO being assessed and detected UBO, as well as deficiencies in the area of bank protection.
Some of the competent employees of branch offices of the bank, or other external workplaces, can be charged with the conduct of activities related to protection against money laundering and protection against terrorist financing for the branch. The employee is in ongoing work contact with the DP. However, internal notifications of detected suspicions on UBO sent by the competent employees from branch offices of the bank to the designated person at the headquarters of the bank cannot be conditional on a consent of the specified branch employee in charge or another managing employee of the branch.

C.PROGRAM OF BANK ACTIVITIES AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

The articles of association under Art. 23 of the AOB regulate the organizational structure of the bank and its internal management system. In the articles of association, the bank is obliged to subdivide and regulate the powers and responsibility in the bank for protection against money laundering and terrorist financing. The articles of association shall also regulate a risk management separated from the management of banking activities including the management system for risks, to which the bank is exposed in the conduct of its activities. The regulation of the risk management also includes protection of the bank against money laundering and terrorist financing.
The bank shall draw up a Program of Bank Activities against Legalization and Terrorist Financing (hereinafter referred to as the “Program”). The internal rule containing the Program is approved by the statutory body of the bank. The Program is based on generally binding legal regulations, particularly on the Act, the AOB, the Decree of the NBS on risk management and on methodological guidances of the FIU, as well as on the articles of association of the bank. The Program concretizes the bank protection concept. It regulates the basic principles and procedures of the bank for protection against money laundering and against terrorist financing, above all the facts under Art. 20 (2) of the Act. It also contains specific measures, duties and procedures of the DP, the prevention unit and the competent employees of the bank, in the conduct of banking activities, the types of transactions and financial operations of customers in terms of requirements required by protection against money laundering and against terrorist financing, the control rights of those entities and control rights of the internal control and internal audit unit (part I).
When creating the Program, the bank takes into account its own specific features, particularly its size and market share, organizational breakdown, the type and scope of the permitted and conducted banking activities, the types of transactions and their extent and specific features, the type and amount of customers and the specific features and extent of operations of those customers. The Program contains not only information on legal provisions, responsibilities of employees, but also particularly all operational procedures and duties of the employees under the circumstances of the bank during the conduct of the relevant types of transactions and financial operations of customers.

The Program of Bank Activities against Legalization and Terrorist Financing regulates primarily

- the determination of the group of positions or offices responsible for complex protection of the bank against misuse for money laundering and terrorist financing and for policy and implementation of procedures; the creation of the organizational system of such protection including a member of the statutory body, DP, or prevention unit and competent employees performing financial operations for customers (hereinafter referred to as “competent employees”),
- the determination of the person, as defined in Art. 20 (2) h) of the Act, who is responsible for protection against money laundering and terrorist financing, accepting notifications of an detected UBO from the organizational units of the bank, evaluation of those notifications and reporting UBO to the financial intelligence unit, and who ensures the

ongoing work contact of the bank with the FIU or with a body in charge of criminal proceedings,
- the setting of basic tasks of the competent employees, their procedure in detecting UBO and notifying the DP (if needed, also the specimen form of internal notifications on UBO) and the way of ensuring protection of the competent employees in connection with the UBO detected by them and of which the designated person has been notified,
- the duty to identify customers in the conduct of transactions and individual financial operations and the duty to conduct verification of such identification,
- the duty to record the performed identification and verify the identification of customers, as well as of all financial operations performed for customers,
- the duty to preserve records on the identification and verification of the identification of customers and on financial operations performed for customers,
- an overview of the know types of UBO by activities and types of transactions performed by the bank,
- the evaluation and management of risks – procedures during the assessment of customers based on a risk-based approach and risk analyses, taking into account the results of the original and ongoing identification of customers and its verification by types of transactions and types of accounts,
- the determination of the way and extent of the conduct of diligence with respect to the customer based on the results of risk evaluation under Art. 10 (4) of the Act,
- the procedure of assessing whether the transaction in preparation or the transaction being performed is unusual; the detailed features of unusualness, by means of which an unusual business operation of a customer can be identified; this procedure should be based on a previous analysis of business operations performed by a particular customer, using electronic information systems or programs,
- the procedure of the DP in assessing a UBO, of which it has been notified by the competent employees, in reporting UBO to the financial intelligence unit, and the way and extent of implementation of what is called feedback within the bank regarding internal notifications of a UBO,
- the procedure of the competent employees and DP in delaying an unusual business operation under Art. 16 of the Act,
- the content and time schedule of training of employees, who can get in contact with the UBO; the preparation of employees for ensuring tasks of bank protection against money laundering and against terrorist financing in the conduct of particular banking activities, types of transactions and operations of customers,
- the duty to maintain confidentiality regarding an internal notification of a UBO and its reporting to the FIU and on performed measures of the FIU (Art. 18 of the Act), above all with respect to the customer concerned, as well persons that are in a certain relationship to the customer (e.g. other persons authorized to dispose of the customer's account, or if the persons are several owners of the funds in one account or owners of a legal person or other beneficial owners enjoying the benefits related to the operation), as well as to third persons, except for exceptions specified by the Act,
- measures that will prevent a misuse of the position or office of the competent employees for wilful involvement in money laundering or terrorist financing in the exercise of their office,
- the way and set time periods for the preservation of data and documents (see part H for details),
- the way of checking compliance with duties resulting from the Act and from the Program; the determination of responsibility for the check and regular reports in connection with the detected deficiencies, containing an evaluation of compliance with obligations, the detected deficiencies and proposals of measures to eliminate the deficiencies (internal audit), including the submission of such reports to the statutory body of the bank (to the head of the branch office of a foreign bank).

The issue of protection against money laundering and protection against terrorist financing

requires that the Program be drawn up as a self-contained regulation, which is available to the competent member of the statutory body, DP and all competent employees.
The bank is obliged to update the Program adequately not only in the case of a change to the relevant generally binding regulations, but also in the case of changes related to its own conduct of activities and types of transactions, as well as in the case of changes to its organizational structure.
The branch office of a foreign bank also follows internal regulations in this field3, which have to correspond to the requirements resulting from the Act, the AOB and regulatory measures of the National Bank of Slovakia and the FIU in terms of the quality of their content.

D.ACQUAINTANCE, EDUCATION OF EMPLOYEES, INFORMATION SYSTEM

1. Acquaintance of the employees

The managers, as well as employees of a bank, have to realize that participation of bank customers in money laundering or terrorist financing can threaten the bank. Ultimately, the bank can suffer financial losses, if it performs operations with income or funds stemming from any criminal activity, and its credit is also threatened or lost. Not only banks as legal persons are subject to sanctions for failure to fulfil or violation of duties in this field, but members of the statutory body, supervisory board, managerial employees performing control and competent employees, who are in direct contact with the customers and implement the instructions of customers for the conduct of transactions and financial operations, can be also affected personally.

3 Art. 5 (2) in conjunction with Art. 20 of the Act

The bank shall publish information for employees as to who performs the office of the DP and who is the deputy to the DP. The information shall also contain an overview of the basic elements of the prevention system, which is applied in the bank, on the basic rights and duties of the DP and the deputy to the DP, as well as on the ensuring of protection of the competent employees detecting UBO.
The effectiveness of preparation of the competent employees and their becoming duly familiar with the duties and rights are decisive for the success of the continuous process of protection against money laundering and against terrorist financing. The statutory body and the DP must ensure acquaintance of the employees with the responsibility of the bank, as well as personal responsibility of managerial employees and the competent employees of the bank in this field.
The bank shall set an optimum regime and way of

- informing its competent employees of the principles, procedures, duties and rights within protection against money laundering and terrorist financing
- making the Program and, if needed, other relevant regulations accessible to the competent employees and
- organizing training and educational events for the competent employees.

When informing and educating the employees, the bank takes into account its conditions, particularly its size and organizational subdivision into branch offices and smaller workplaces, banking activities and types of transactions and financial operations performed for customers, so that all necessary information gets to all employees, for which it is destined. It is important that the model of providing information to employees on the part of the statutory body, the DP and managerial employees of the bank, as well as of implementation of training of employees, is effective, flexible and fulfils the expected objective.

2. Information system at the bank

A systemic approach to the risk management of the bank and to ensuring protection of the bank against money laundering and terrorist financing requires the setting up of an appropriate information system at the bank and a continuous and timely flow of information between the individual management levels of the bank, including the statutory body of the bank, the DP, the deputy to the DP and the prevention unit, internal control and internal audit unit and the competent employees. In addition to continuous and timely flow of information, the systemic approach also requires the setting up and maintenance of internal information flows at the individual management levels of the bank. In a broader sense, it is the system of acquiring, processing, evaluating, passing on and using information concerning this field. Part of the system

are information flows in the process of the individual activities of the bank and the performed types of transactions during protection against money laundering and terrorist financing.
It is important that the management of the bank regularly receive information on the functionality and effectiveness of the system of prevention of money laundering and terrorist financing at the bank. The information should serve for the statutory body of the bank and the management employees as source material for the adoption of principal and systemic measures for the elimination of possible system deficiencies and for the prevention of the necessary level of the prevention system. The information should created particularly by the internal control and internal audit unit of the bank and the DP with the prevention unit.
The bank is obliged to ensure and use its own information system
- for the transfer of information, towards the competent employees, on the principles of protection against money laundering and terrorist financing, the procedures, duties and rights and the related ensuring of day-to-day tasks,
- to make the Program and other relevant internal regulations accessible to the competent employees,
- for the transfer of necessary information between the member of the statutory body of the bank responsible for protection against money laundering and terrorist financing (or the chairman of the managing board) and the DP,
- for the transfer of information between the competent employees and the DP and vice versa, including internal notification of an UOC,
- for record keeping, i.e. recording, processing and updating of data on customers and recording and monitoring of business operations of customers,
- to acquaint the statutory body or its competent member (or, if applicable, the chairman of the managing board) with the results of the control conducted by the DP and the internal control and internal audit unit, as well as to inform the competent employees on those results,
- for the transfer of information between the DP and FIU, including the reporting of UOC and provision of other necessary information and source documents to the FIU, as well as the provision of what is called feedback from the FIU to the bank.
A regular, consistent acquisition and evaluation of information in the process of identification and verification, monitoring of the business relation and assessment of transactions, internal notification of transactions with features of a UOC and reporting of UOC to the financial intelligence unit are integral parts of the duties of employees involved in this process.
The form, content and rules of his information flow should be set by the bank depending on its size, orientation and extent and on the complexity of the activities conducted by the bank and the types of transactions and services offered by the bank, as well as characteristic features of the customers and their transactions.
The information system is supposed to comply with specific conditions of the bank and, in terms of technology, it has to have such parameters that the bank is capable of fulfilling duties resulting for the bank as the obligor from the Act.
An important part of the information system of the bank os the electronic information system (hereinafter referred to as the “EIS”), which meets the requirements of the Act set for banks in terms of hardware and software, with the aim of ensuring sufficient quality of protection against money laundering and terrorist financing.
The EIS, recording and processing data on customers of the bank and their financial operations, must take into account requirements regulated in Art. 9 (e) of the Act. If the customer is a natural person, the EIS must contain record at least with the name, surname, data of birth or birth number and account numbers of the customer, and in the case of a natural person –entrepreneur also the identification number, if it has been assigned to him. If the customer is a legal person, the EIS must contain records containing at least the name (business name) and identification number of the customer.
At the same time, the EIS must contain information/records on the nature of the business relationship of the customer. The nature of the business relationship is given by the type of transaction under Art. 9 i) of the Act or just by the transaction under Art. 9 h) of the Act. The EIS

and the way of using it are supposed to enable to identify UBO performed by customers or, if applicable, also to monitor their course or development, as well links between financial operations of a certain customer and, inasmuch as possible, also between unusual business operations of various customers.
Data on politically exposed persons (Art. 6 of the Act) and on fictitious banks [Art. 9 (d) and Art. 24 (1) of the Act], which the competent employees have acquired in the conduct of their work tasks, constitute a special part of information recorded and monitored by means of the EIS. The EIS is supposed to serve to the bank also for monitoring the necessary data for the purposes of keeping the register of suspicious customers under Art. 92 (6) a) of the AOB and for information exchange with other banks under Art. 92 (6) b) of the AOB. Other situations, in which the bank can use the EIS for the provision of information, result from Art. 18 (8) of the Act.
The EIS is supposed to enable that the bank provides the FIU, without delay and upon request of the FIU, with information as to whether it has or has had a business relationship with a particular person in the previous five years, as well as the nature of such a business relationship (Art. 24 (4) of the Act).
The EIS is also supposed to be capable of providing data, on time and to a sufficient extent, to the FIU, the National Bank of Slovakia – the financial market supervision unit as the supervisory authority - and to bodies in charge of criminal proceedings in cases set by the Act. Last but not least, the EIS is supposed to meet the requirements for the purposes of control for the bank's own needs and for the needs of the FIU (Art. 30 of the Act) and for statistical purposes.

3. Employee education

The effectiveness of protection of the bank against money laundering and terrorist financing depends on the attitude of its management and employees to this issue and on the acquisition of basic legal regulations, the Program and other related internal regulations of the bank.
The heterogeneity of the performed banking activities and types of transactions and particularly the heterogeneity of the customer structure also include a varying degree of the risk of money laundering and/or terrorist financing. The competent employees must have all necessary information on banking activities and types of trades performed by the bank, which they will implement for the clients and must learn as early as possible the criteria (features of unusualness) for the assessment or detection of UBO. Those employees have to be able to assess the action of the bank's customers, as well as the content of financial operations conducted by the customers in terms of their degree of riskiness, unusualness or suspiciousness.
The competent employees are an important element in the prevention of a misuse of the bank for money laundering and/or terrorist financing. Likewise, however, the can be its weakest element, if they do not fulfil the set duties, or if they wilfully or unwilfully participate in the implementation of a UBO of the customer.
Before an employee assumes his employment relationship at the bank for a job or office, where he will ensure the implementation of financial operations in direct contact with customers, the bank shall convince itself based on an extract from the criminal records of the future employee that the future employee has no record of a previous criminal activity in relation to property, business or other serious criminal activity. The bank can ask the future employee for information even beyond the scope of an extract from the criminal records; in such a case, however, the bank should take into account that according to the Criminal Act, if the conviction of a person has been expunged from its criminal records, the person is to be treated, as if it had not been convicted. The bank should also request sufficiently satisfying references from the future employee or an evaluation of his previous work integrity, issued by his previous employer.
Within education, too, the bank shall ensure that the employees be acquainted with the consequences of a neglect or negligent fulfilment of their work duties and of a possible wilful or unwilful participation in money laundering or terrorist financing, as well as violation of the prohibition to provide information, to which the pledge of confidentiality applies, to a customer (Art. 18 of the Act).
The education of employees is supposed to contribute considerably to a situation where the competent employees acquire the prerequisites for copying with the procedures for the application of the "Know Your Customer" principle (hereinafter referred to as "KYC") and for

the identification of the degree of riskiness of action of the bank's customers even after taking into accounting the classification of the customers in one of three groups for the conduct of due diligence, i.e. basic, simplified and enhanced diligence.
The bank must have a project or plan of employee education taking into account the job assignment of employees and the resulting responsibilities and duties. The plan of education or its basic principles should be a part of the Program and should set the basic outline, periodicity and content of employee training, particularly the provisions of corresponding laws, internal regulations and rules of the bank or, if applicable, of the group, to which the bank belongs, as well as an analysis of the content and circumstances of the most frequently occurring types of internal notifications of UBO within the bank or, if applicable, within the group.
The bank is obliged under Art. 20 (3) of the Act to ensure training for employees aimed at acquainting themselves with the Program at least once a calendar year and at the same time always prior to assignment of the employee to a work, during which he will fulfil tasks set by the act and the Program. Each competent employee fulfilling tasks under this act must be acquainted with the valid Program regulating the procedures for the assessment of customers and of financial operations performed by them and must have the Program always at his disposal.
Education includes training of newly employed employees and ongoing specialised professional education of the competent employees implementing financial operations of customers. The frequency of educational events is supposed to be adequate so as to enable the provision of information on new generally binding legal regulations, on the Program and on current internal regulations and to make accessible knowledge resulting from the bank's activities, from the activities of other banking entities, as well as available knowledge based on activities of the FIU or of a supervisory authority.
Specialised education, which the competent employees are supposed to complete before they process instructions of the customers to perform financial operations, should provide them with the necessary knowledge for detecting and verifying the identity of customers when the business relationship arises and during the conduct of transactions and operations. By participating in educational events (seminars, educational stays), the competent employees acquire the prerequisites for getting to know the type of expected business activities of customers, with which their financial operations are associated, and thereby also the necessary knowledge and capability to identify facts going beyond the expected behaviour of customers and particular manifestations of their unusual business operations.
The bank is supposed to repeat the education and to add new knowledge to it, if needed, even more frequently than at a 12-month cycle, to ensure that the competent employees will be able to perform their duties and rights on an ongoing basis.
The bank shall ensure the drawing up of records on performed employee training, which shall contain the date of participation of the competent employees in the education, the content of the education, as well as the signatures of employees having completed the training. In addition, it is necessary to obtain a written confirmation from the competent employees attesting that they acquainted themselves with the Program and with related regulations regulating the procedures for protection of the bank against money laundering and terrorist financing.

E. IDENTIFICATION AND ACCEPTANCE OF THE CUSTOMER, RISK PROFILE OF THE CUSTOMER; BASIC, SIMPLIFIED, ENHANCED DILIGENCE, FUILFILMENT BY THIRD PARTIES

Basic duties of the bank in these areas are set by the corresponding provisions of the Act, particularly Art. 7, 8 and 10 to 13, as well as the AOB, particularly Art. 89 and Art. 93a.
In practice this means that the bank will implement all elements of basic customer diligence (both natural and legal person) under Art. 10 (1) of the Act always in situations stated in Art 10 (2). In the case of one-time transactions outside the business relationship, the bank identifies and verifies the identification whenever the transaction reaches a value of at least EUR 2,000.
What follows is the duty to find out whether the customer is acting on his own behalf. For the purposes of this methodological guidance, it is necessary to understand the "performance of a transaction on one's own expense" or "with one's own funds" as action on one's own behalf. Pursuant to Art. 10 (10) of the Act, it is necessary to find out this fact always in situations stated

in Art. 10 (2) and in accordance with Art. 89 (3) of the AOB, even if the transaction is a transaction of at least EUR 15,000 (i.e. not only a "casual" transaction, as the Act implies).
The detection and, to an adequate extent, also the verification of the beneficial owner follows primarily the provisions of Art. 9 and 10 of the Act, with the AOB also partially dealing with this important element of the basic and enhanced customer diligence in Art. 93a. This area is one of the basic preventive measures enabling the FIU and later also bodies in charge of criminal proceedings to monitor the movements of funds and to detect also possible interconnections of natural persons and legal persons not only in the territory of the Slovak Republic, but also abroad, by means of information exchange between the financial intelligence units of various countries. (Ideally, after the valid award of a court judgment or even during the judicial trial and in the case of a "freeze" of funds based on international sanctions, the implementation of the identification and verification of the identification of customers and beneficial owners enables to temporarily or permanently touch the funds from the application of temporary measures, such as seizure of property, up to forfeiture of property).
At the same time, this is the most work intensive and cost intensive part of the conduct of basic and enhanced diligence, in which it is extraordinarily important to apply a risk-based approach of the bank towards its customers and their financial operations. This means that it is always necessary to detect the beneficial owner; in the case of legal persons, the legal form of the company (e.g. a joint-stock company with bearer shares or a pooling of property) must not hinder the detection of the beneficial owner. The verification of the acquired information on the beneficial owner in accordance with the Act is supposed to be carried out to an adequate extent; e.g. by requesting a written declaration on the beneficial owner and subsequent verification of such information from available sources.
The importance of Art. 10 (1) a) to c) and Art. 10 (10) of the Act is highlighted in Art. 15 and 24 (2) of the Act, in which the duty to reject a new customer, to terminate the existing business relationship with the customer or to reject to perform a particular business operation, if it is not possible to conduct basic diligence, is imposed on the bank. A comparable duty results from Art. 89 (1) of the AOB. Pursuant to Art. 17 (1), the bank is obliged to report such cases immediately to the FIU.
In addition to the conduct of basic diligence, the acceptance of a the customer should include his assignment to a certain risk group in the case of a new customer; a precondition should be consistent application of the "KYC" principle, which actually means ensuring the acquisition of sufficient information on the nature of the expected transactions of the customer and any predictable design of the operations performed by him. On the basis of this, it is possible to set up a risk profile of the customer. When applying basic diligence, the bank must not enter into the business relationship with the customer, until it reliably detects all relevant circumstances related to the customer (including the detection of the beneficial owner and adequate measures for the verification of the information), as well as the nature of trading or doing business or of his other activities.
The managerial employees and competent employees of the bank must know the clients of the bank and their usual trade activities, business activities or other activities. Based on the acquired information, during the existence of the business relationship of the bank with the customer, the competent employees of the bank and their direct superior are able to assess any instruction of the customer for the disposal of funds kept in his account, in comparison with the expected behaviour of the customer. In doing this, they take into account circumstances, which can indicate a change in the nature of the business activities of the customer or a change in his usual activities and they verify such facts adequately.
The bank updates information on the customer according to the risk group, to which the customer has been classified; with this aim it requests the customer to update the data the customer provided originally or has updated earlier already, in reasonable time intervals and depending on changes related the person of the customer or his business or other activities, with which his financial operations performed by the bank are connected. The bank can perform the update also by requesting that the corresponding form be filled in, for example once a year, unless more frequent updating is indispensable, or by agreeing with the customer upon a contract condition on

the duty to report the respective changes to the bank in advance.
Pursuant to the temporary provision Art. 36 (1) of the Act, the bank shall conduct procedures to detect all possible elements of basic diligence, including the identification and verification of the beneficial owner under Art. 10 of the Act and enhanced diligence under Art. 12 of the Act, also with respect to existing customers, depending on the risk of legalization or terrorist financing, as from 31 December 2009.
In practice, this means that it is necessary to subdivide the current clientele of the bank by the risk of money laundering and/or terrorist financing, with the Act saying in Art. 10 (4) that under such a subdivision, information on the customer, type of transaction, business relationship etc. can be used. Pursuant to Art. 10 (11) of the Act, basic diligence also includes the detection whether the customer is a politically exposed person; if the person is a politically exposed person, the bank shall implement enhanced diligence.
In this connection, it is necessary to use the hitherto knowledge on customers and on the application of the prevention system at the bank from the previous version of legislation, the basis of which was UBO reporting. The Act has kept the same scope of the definition of a UBO; however, a paragraph 2 was added in Art. 4, which lists examples of transactions, which have to be considered UBO and which should be reported to the FIU (depending on the particular circumstances of the case). In addition, it is also suitable to use materials drawn up by the experts of the Financial Action Task Force (published on the internet), for example:
- the regularly published conclusions of the ongoing monitoring of countries that have considerable deficiencies in the enforcement of measures against money laundering and terrorist financing (the “FATF statement”),
- detailed evaluation reports on individual countries and their system of prevention and repression in the field of money laundering and terrorist financing (in the “Mutual Evaluation Report” form),
- the explanatory presentation “Guidance on the risk-based approach to combating money laundering and terrorist financing” of June 2007,
- the so-called list of equivalent Third Countries, which has been created based on an agreement of the EU member states in a European Commission committee (the CPMLTF – Committee on Prevention of Money Laundering and Terrorist Financing) and has been published on the web site of the FIU.
In connection with the subdivision of the customers by their riskiness, it is necessary that the bank takes into account Art. 10 (1) d) and 10 (8) of the Act, which create the duty to update the risk profile of a customer on an ongoing basis. The suitable periodicity of the updates depends on an internal decision of the bank, at any rate it is necessary to include in the internal regulation regulating the Program of the bank under Art. 20 of the Act.
By subdividing the customers by their risk profile, the bank then can apply Art. 10 (1) d) of the Act in practice – an ongoing monitoring of the business relationship leading to the identification and reporting of a UBO.
A higher riskiness of a customer requires a more detailed assessment of the customer, his action and his orders for the implementation of financial operations. Subsequently, it is necessary to adopt measures for the elimination of risks to an acceptable level.
The bank applies enhanced diligence towards a customer in situations that due to their nature can represent enhanced risk of money laundering or terrorist financing. The bank pays special attention to selected groups of entities – in addition to the above mentioned politically exposed persons (Art. 6, Art. 10 and Art. 12 of the Act), above all to poolings of property (Art. 25 (2)) and fictitious banks (Art. 24 (1)).
The bank proceeds in the same way, if the creation of
- a new business relationship or account without the physical presence of the customer and
- new correspondence relationships with foreign banks or credit institutions
is being prepared.
In line with the implemented EU directives, the Act defines only basic situations, which represent enhanced risks of money laundering and terrorist financing. However, a more stringent procedure for the identification and verification of the acquired facts and for the subsequent monitoring of

the business relationships with the customer has to be applied by the bank also in other situations, according to the risk profile of the customer or according to the degree of risk of the service provided or the type of transaction for the customer (legal persons not registered in the Commercial Register, for example political parties, legal persons in the form of joint-stock companies with bearer shares, joint accounts, accounts with custodianship, etc.).
The putting through and compliance with all the above mentioned procedures and rules (identification, verification, KYC) also provides protection against frauds. At the same time, it enables the bank to select and offer from the wide range of types of transactions the types of transactions that comply with the wished of particular customers by the content and extent of their activities. It thereby helps the bank to keep customers that are not linked to money laundering and frauds and at the same time to eliminate the risk of financial losses and the risk of the loss of the bank's credit.
In Art. 13 the Act enables an already conducted basic diligence – with the exception of one part of basic diligence, which is the ongoing monitoring of the business relationship pursuant to Art. 10 (1) d) of the Act - to be used by another credit and financial institution in the application of diligence procedures with respect to the customer by means of the so-called "performance by third parties". The point is that when the preconditions specified in this provision are fulfilled, it is possible to rely an already performed identification and verification of a customer and beneficial owner and to take over the data on the identification and verification from a credit or financial institution (to the extent defined in Art. 5 (1) b) 1 to 10 of the Act), which is active in the territory of the EU (the so-called third party), including those being active in the territory of the SR. (Exchange offices and places of foreign exchange are not in the group of obligors, from which it is possible to take over the identification and verification of the customer and beneficial owner). However, the responsibility for the fact that data acquired in this way meet the requirements for the conduct of diligence towards a customer under the provisions of the Act remains with the bank having decided to rely on the "performance by third parties" procedure.
Pursuant to Art. 13 (4), the Act considers "outsourcing" to be an activity performed for the bank based on the bank's rules and regulations, therefore such situations are not considered to be a performance by third parties.
In its Art. 11, the Act defines the extent and conditions for the use of simplified customer diligence. These are situations and customer, where it is possible to acquire and verify basic information from publicly available and reliable sources – as stated in Art. 11 (1) of the Act. Art 11 (2) regulates the types of products, for which it is possible to use simplified customer diligence. The fact is important that before the bank decides to use simplified diligence, it is necessary to acquire information on the customer or type of transaction (product), which justify the application of simplified diligence. The use of simplified diligence represents by no means an exception from the duty of ongoing monitoring of the business relationship [Art. 10 (1) d) of the Act] or from other duties defined by the Act, so that it is possible to comply with Art. 14 and 17 of the Act, as well as other provisions, including the duties to process and preserve data pursuant to Art. 19 and 20 of the Act.
In connection with the use of simplified diligence, the possibility of using the list of the so-called Third Countries, which has arisen by an agreement of the EU member states and is deemed to be a minimum list. The list has been published on the web site of the FIU. However, the fact that a country is not listed in the list does not preclude the allocation of a particular customer from the country to a higher risk. Indeed, it is always necessary to apply the duties pursuant to Art. 10 (1) d) and Art. 10 (4) and Art. 10 (8) of the Act consistently.

F. IDENTIFICATION, DELAYING AND REPORTING OF AN UBO

To identify unusual business operations by the bank, it is decisive to apply Art. 2 to 4, Art. 10 to 12, Art. 14 and Art. 20 of the Act.
Pursuant to Art. 14 (1) of the Act, the bank is obliged to assess whether the transaction under preparation or transaction being performed is unusual and according to Art. 14 (2) a) of the Act it is obliged to pay special attention to all complicated, unusually large transactions and all transactions of unusual nature, which have no economic purpose or obvious legal purpose. At the same time, the bank is obliged to examine to the largest extent possible the purpose to those

transactions, and it has to conduct a written record on those transactions for control purposes. Pursuant to Art. 4 of the Act, a UBO is a legal act or another act suggesting that by performing the act money laundering or terrorist financing can occur. Art. 4 (2) of the Act sets out a demonstrative list of UBO. However, in each UBO stated in this provision, there are several features of unusualness (e.g. an unusually high volume of funds without an obvious economic or legal purpose etc.), which the bank has to assess, while at the same time applying the KYC principle. Only on the basis of such a procedure, it is possible to assess in a qualified way, whether the customer's business operation being prepared or performed is or is not unusual. In its Art. 4, the Act does not regulate any criteria, e.g. in the form of limit sums of funds, that would lead to an automatic establishing that a certain type of financial operation is automatically a UBO. The decisive element for the assessment of business operations of the customer is the application of the KYC principle and qualified identification of so-called features of unusualness, which are stated in the individual provisions of Art. 4 (2) of the Act, as well as other features and criteria, which the bank has to set for itself depending on the subject-matter and extent of its activity and type and extent of the performed transactions and financial operations for customers, within the creation of an overview of the forms of UBO [Art. 20 (2) a) of the Act].

The conditions for a qualified application of the UBO principle result from the duties of the bank and customer set in the Art. 10 to 12 of the Act. The crucial provisions are Art. 10 (1), (4) and (5) and, if applicable, also Art. 11 (3).

The procedure under Art. 10 (1), and, if applicable, 11 (3) of the Act will enable a bank to convince itself to an adequate extent of the true identity of each customer and to identify the purpose and planned nature of business activities, which the customer is likely to conduct. At the same time, this procedure is the starting point of the bank for the creation of a risk profile of the customer, subsequent determination of the extent of diligence pursuant to Art. 10 (4) of the Act and for accepting the customer. Then, depending on the result, the bank applies the procedures within basic diligence under Art. 10 of the Act or simplified diligence under Art. 11 of the Act or enhanced diligence of Art. 12 of the Act.

Irrespective of whether the bank proceeds under Art. 10, Art. 11 or Art. 12 of the Act, it is, among other things, obliged to proceed according to Art. 14 of the Act each time. Thus, the bank has to assess in each case, whether the transaction being prepared or performed is unusual (Art. 14 (1) of the Act) and pay special attention to all complex, unusually large transactions and all transactions of unusual nature, which have no obvious economic purpose or obvious legal purpose and make a corresponding record on them under Art. 14 (3) of the Act.

The bank performs qualified assessment of transactions being prepared or performed under Art. 14 of the Act at various levels. The assessment process is done in "the first line", where the employees of the bank are in contact with the existing or potential customer, furthermore within ongoing monitoring of the existing business relationship and within the subsequent/retrospective assessment of the customer's transactions.

1. "First-line" assessment of trades

The assessment of a customer's transactions is performed "in the first line" by the employees of the bank, which are in contact with the customer when fulfilling their duties, particularly those processing the customer's orders for the execution of his transactions or financial operations. These are primarily cashiers, employees ensuring the implementation of money transfers or payment transactions and other employees involved in the provision of services to customers and in data processing, as well as employees directly superior to those employees. The firs-line assessment of transactions depends on the expertise and preparedness of the competent employees, which they have acquired with obligatory training (Art. 20 (3) of the Act).

The bank's Program against legalization and terrorist financing must be available continuously to each competent employee, whether in paper or electronic form, and the employee has to learn it and proceed according to it. At this stage, the employee of the bank has to adhere particularly to Art. 10 (1) or, if applicable, to Art. 11 (3) of the Act, which enables him to convince himself adequately on the actual identity of the customer and to get to know the purpose and planned nature of business activities that the customer is likely to conduct. This procedure is also the starting point for the customer being accepted by the bank, for the creation of the customer's risk

profile and for determining the extent of diligence towards the customer under Art. 10 (4) of the Act.
Here, too, the crucial element for the assessment of the business operations of the customer is the appropriate application of the KYC principle and its procedures and qualified identification of features of unusualness. The procedure will enable a competent employees to assess the customer's transactions being prepared or performed in accordance with the overview of UBO forms [Art. 20 (2) a) of the Act] and reveal those transactions, which are unusual with respect to the client and his otherwise usual transactions. If the competent employee assesses the transaction being prepared or performed as unusual, he will make a written record on that transaction under Art. 14 (3) of the Act and will notify the designated person of this finding without delay (hereinafter referred to "notification of a UBO").

2. Assessment of transactions within ongoing monitoring of the business relationship

Depending on whether a business relationship is being entered into [Art. 10 (2) a) of the Act] or the transaction is casual [Art. 10 (2) b) or, if applicable, c) of the Act], the competent employees of the bank assess the customer's transactions also within ongoing monitoring of the business relationship. The assessment of transactions being prepared or performed within the ongoing monitoring of the business relationship is specific in that the business relationship has already arisen and goes on [Art. 10 (2) a) of the Act]. Where applicable, the customer is known to the bank, because he has conducted several casual transactions already [Art. 10 (2) b) or c) of the Act]. Thus, this is not the first contact with the customer and the bank can take into account the existing risk profile of the customer and the history of transactions conducted by him.
The procedure under Art. 10 (1) d) of the Act, including the verification of the completeness and validity of identification data and information pursuant to Art. 10 (8) of the Act and the customer's duty under Art. 10 (5) of the Act, form the basis for the ongoing monitoring of the business relationship. This type of monitoring requires that risk profiles of customers be creates and they be sorted by the possible risk of money laundering or terrorist financing under Art. 10 (4) of the Act. Ongoing monitoring of the business relationship requires the use of an appropriate electronic information system, which will enable the bank, in line with risk-oriented prevention, to create financial or other criteria or limits being among the features of unusualness of business operations of customers, which would separate certain monitoring process levels, corresponding to the degree of riskiness of the operations performed by the customers. The set criteria or limits, defined by the bank for that purpose, must be regularly verified, so that it is possible to determine their adequacy with respect to the detected risk levels.
The bank also has to re-evaluate the adequacy of the existing system and individual processes of protection and prevention.
For assessing transactions, those transactions of the customer being prepared or performed will be important within ongoing monitoring of the business relationship, which do not correspond to a known or expected activity of the customer. Such transactions of the customer must be subject to evaluation (Art. 14 (1) of the Act) and a written record must be made on them (Art. 14 (3) of the Act). Based on the results of further assessment of the individual circumstances of the transaction and taking into account the overview of UBO forms [Art. 20 (2) a)], the DP can conclude that there is no UBO in the given case. If this is not possible only based on information on the customer available to the bank already, it can, according to circumstances, require further necessary information and documents according to Art (5) of the Act from the customer.
In cases where the DP is unable to justify the customer's transactions, which do not correspond to the known or expected activity of the customer, not even using such procedure, it shall be sufficient that those operations only suggest that performing them can lead to money laundering or terrorist financing and the DP is obliged to proceed under Art. 17 of the Act, i.e. to report the UBO to the financial intelligence unit.
The assessment of transactions within the ongoing monitoring of the business relationship is performed depending on the transaction by the competent employees, as well as the DP.

3. Assessment of transactions within the subsequent/retrospective assessment of the customer's transactions

A means of subsequent monitoring of the transactions of the customer is for example random

selection of performed transactions within the performance of control on the part of a managerial employee, superior to the competent employee, who has implemented instructions and operations of the customer, as well within the performance of control carried out by the DP and the internal control unit (part I).

4. Internal notifications of a UBO

All internal notifications of a UBO sent by the competent employees to the designated person must be documented according to Art. 14 (3) of the Act and must be available for control purposes under Art. 29 of the Act. The DP keeps files of and preserves the notifications of internal notifications of an UBO including the function, name, surname, designation of the branch office or bank unit and all data on the customer and transaction in question.

The DP, as well as the competent employees of the bank, including the managerial employees (and members of the statutory body), which participate in the assessment of transactions according to Art. 14 of the Act, are obliged to maintain confidentiality on a reported UBO and on measures performed by the FIU (Art. 18 of the Act), including the fulfilment of duties according to Art. 17 (5) and Art. 21 of the Act. Thus, the bank must have set a procedure from the detection of a UBO up to the reporting of a UBO performed without delay, including the procedure and responsibility of the employees assessing the transaction.

However, the bank cannot invoke the pledge of confidentiality towards the National Bank of Slovakia and the Ministry of Finance of the Slovak Republic in connection with performance of supervision and control pursuant to Art. 29 of the Act (Art. 18 (5) of the Act). Provided that the provided information is used only for the purposes of preventing money laundering or terrorist financing, the pledge of confidentiality does not apply to the provision of information between credit or financial institutions under the conditions stated in Art. 18 (8) a) and c) of the Act. According to Art. 92 (6) a) of the AOB, the bank can keep a register of customers, which have committed acts assessed as a UBO, and to which international sanctions apply, and under Art. 92 (6) b) the AOB it can provide other banks with information from that register even without the consent of the customer (provided that the data provided is protected).

Following the acceptance of the internal notification of an UBO, the DP can confirm the acceptance of the notification of an UBO to the competent employee, who has sent the notification. The confirmation should contain a notice regarding the pledge of confidentiality under Art. 18 of the Act. Where the bank has an electronic system for internal report collection, which enables the competent employee to monitor the status or acceptance of a lodged internal report on a UBO by the designated person or prevention unit, an individual confirmation of the acceptance of such a notification is not necessary.

The internal notification of a UBO, or the action of the customer and the transaction or financial operation, to which the notification applies, must be subject to evaluation (assessment) by the designated person, which can decide, whether this is a case of a UBO or not, based on the results of further assessment of the individual circumstances of the transaction and taking into account the overview of UBO forms [Art. 20 (2) a) of the Act]. If a decision is not possible only based on information on the customer being already available to the bank, it can, according to circumstances, require further necessary information and documents pursuant to Art. 10 (5) of the Act from the customer. If the designated person reaches the justified conclusion that the UBO it has been notified of is no UBO, it has to provide written documents of that decision and has to continue preserving all related data, written source documents and electronic documentation.

In cases where the DP cannot reach a conclusion that the transaction is no UBO not even using such procedure, it is sufficient, if the transaction or financial operation, of which it has been notified, suggests that performing them can lead to money laundering or terrorist financing and the DP is obliged to proceed pursuant to Art. 17 of the Act, i.e. to report the UBO to the financial intelligence unit.

According to Art. 17 (1) of the Act, a UBO or an attempt to perform it must be reported to the FIU without undue delay, i.e. at the next opportunity. Each time, the particular circumstances of the situation, in which the detection and reporting of the UBO is implemented, have to be taken into account and the UBO has to be reported as early as possible. The decision of the DP to report the UBO must not be conditional on the consent or approval by any other person.

The report on a UBO has to contain data set by Art. 17 (3) and (4) of the Act. The designation of the report on each UBO should take the form: serial number/year/character code of the bank, e.g. 1/2009/SUBA.
UBO reporting can be done in writing, in electronic form or by phone (in such a case the UBO has to be also reported within 3 days in person, in writing or by electronic mail). The specimen of the form of the report on an UBO is issued by the FUI.
Additions to the report on an UBO on the bank's own initiative can be performed not later than within 30 days. After that time limit, it is necessary to report additionally acquired information and source documents as an additional UBO. In the additional UBO, the bank shall state, with which UBO the additionally acquired information is associated.

5. UBO delaying

Pursuant to Art. 16 of the Act, the bank shall delay an UBO, i.e. a certain transaction (Art. 9 h)) that would be otherwise performed. Unless the transaction is not completed or performed, e.g. if the customer does not lodge a corresponding charging order, the bank has no transaction to delay.
Pursuant to Art. 16 (1) of the Act, the bank is obliged to delay a UBO until it is reported to the FIU, always taking into account the operational and technical possibilities, as well as the time when the business operation was or should heave been assesses as unusual. For example, a transaction of a customer assessed within the subsequent/retrospective assessment of transactions of the customer cannot be delayed anymore.
The bank is obliged to delay a UBO, if there is an imminent danger that performing the UBO can obstruct or make substantially more difficult the seizure of income from criminal activity or funds destined for terrorist financing, or if it is requested to do so in writing by the FIU (Art. 16 (2) of the Act). The time limit starts to run from the time when a certain UBO had to be performed and lasts for no more than 48 hours. This time limit can be prolonged, by a maximum of 24 hours, based on a notification of the FIU that the FIU has committed the case to bodies in charge of criminal proceedings. Consequently, the total period of delay of the UBO can lasts for 72 hours.

G. MEASURES AGAINST TERRORIST FINANCING

1. Definitions of terrorism and terrorist financing

Terrorism represents one of the most serious ways of violating values, such as human dignity, freedom, equality and solidarity and observance of human rights and fundamental freedoms, on which the European Union is founded. It also represents one fot he most serious attacks on the principle of democracy and the principle of rule of law, which are common to the member states and on which the European Union is founded.
Pursuant to Directive No. 2005/60/EC, terrorist financing means the provision the provision or collection of funds, by any means, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out any of the offences within the meaning of Articles 1 to 4 of Council Decision 2002/475/JHA of 13 June 2002 on combating terrorism.

2. Duty to report

Within protection against terrorist financing banks use analogous procedures with respect to customers as in the case of protection against money laundering, including reporting UBO, related to terrorist financing, to the FIU.
The bank is obliged under Art. 91 (8) of the AOB to provide the Ministry of Finance of the Slovak Republic within the time limits set by the ministry (time limit of one quarter) a list of customers, to which international sanctions introduced under Act No. 460/2002 Coll. on the performance of international sanctions ensuring peace and security as amended (hereinafter referred to as "Act No. 460/2002"). The list provided also has to contain the account numbers and the balance on the accounts of those customers, i.e. the so-called sanctioned persons.
The bank is obliged to report an UBO to the financial intelligence unit without undue delay (Art. 17 () of the Act). The Act defines an UBO, among other things, as a transaction, for which it is justified to assume that the customer or beneficial owner is a person, against which international sanctions are being performed, or a transaction, for which it is justified to assume that its subject matter is, or is to be, a thing or service, which can be associated with the thing or service, with

respect to which the sanctions under Act No. 460/2002 are performed.

3. Consolidated list of terrorists

Lists of sanctioned persons (natural persons and legal persons) are part of annexes to individual regulations and decisions of the European Communities (hereinafter "EC"), which oblige all financial institutions of the member states to immediately freeze the financial and economic sources of sanctioned persons from states set in the annexes to the individual regulations and decisions of the EC. The EC regulations and decisions in question, regarding only sanctioned entities and complex restrictive measures, including a consolidates list, which contains names and identification data on all persons, groups or entities, to which the financial restrictions of Common Foreign and Security Policy apply, are published on the web site.

4. Sanctions

Act No. 460/2002 defines international sanctions as the whole of restrictions, orders or bans introduced for the purpose of preserving or restoring international peace and security, which result from particular international binding documents and measures. At the same time, it defines in concrete terms international sanctions for trade and non-financial services, financial services, transportation, technical infrastructure, science and technology contacts, cultural contacts and sport contacts.

The aim of the sanctions is to keep and restore international peace and security according to the principles of the UN Charter and Common Foreign and Security Policy. This is primarily a change in the policy of a government, country, individual or group not respecting the basic principles of rule of law, violating human rights, international law or endangering security. Restrictive measures are adopted either by transposition of sanction resolutions of the United Nations Security Council (hereinafter referred to as the "UNSC") or they are autonomous sanctions adopted by the European Union only. The sanctions are adopted by common positions of the EU and implemented at the level of the EC. In the case of autonomous sanctions, the EU can adopt even harder and broader sanctions as compared to the sanction resolution.

The current autonomous restrictive sanctions of the EU are against the countries: Belarus, Uzbekistan, Moldova.

Other current restrictive sanctions of the EU: Bosnia and Herzegovina, Montenegro, Haiti, Iraq, Iran, the Democratic People's Republic of Korea, Lebanon, Liberia, Macedonia, Myanmar/Burma, Moldova, Côte d'Ivoire, Sierra Leone, Somalia, Serbia, Syria, Zimbabwe, USA, Yugoslavia, Belarus, the Democratic Republic of the Congo, North Korea and Sudan.

Other restrictive measures: support of the implementation of the ICTY (International Criminal Tribunal for the Former Yugoslavia) mandate, Libya, the USA, other terrorist organizations (Osama bin Laden, Al-Qaeda).

The restrictive measures are adopted in several forms: for example as diplomatic sanctions, interruption of cooperation with a third country, boycott of sport or cultural events, trade sanctions, weapon embargos, financial sanctions, no-fly zones, restrictions for entry into the territory of a member state. UN sanction measures related to a weapon embargo or entry restrictions (VISA-ban) are implemented directly by a member state.

Sanction measures related to economic relationships with third countries, e.g. the freezing of financial assets and economic resources, are implemented by an EC regulation (approved by the Council) and are directly binding and applicable in the EC. The regulations are universally valid by virtue of Article 249 of the Treaty establishing the European Community and are directly applicable in all member states. As legally binding acts of the community they take presence over the laws of the Slovak Republic and financial institutions in the Slovak Republic are obliged to apply sanctions promulgated by EU regulations directly. They are also subject to legal assessment by European courts.

5. Sanction resolutions of the UN Security Council

The UN Security Council resolution against terrorism is a document, which provides the base for the criminalization of inciting to terrorist acts and recruitment of persons for such acts. The resolutions call upon countries to adopt necessary and adequate measures and to prohibit by law, in line with their obligations resulting from international law, the incitement to the commitment of terrorist acts and prevent such activity.

Due to the above mentioned facts, the sanctions are adopted by transposing the UN sanction resolution, meaning that after a UNSC resolution has been issued, it is necessary to implement the resolution as quickly as possible in an EU regulation or in a common EU position.
The most important UNSC resolutions for combating terrorism are the following resolutions: 1390/2002, 1333/2000, 1373/2001, 1378/2001, 1267/1999, 1363/2001, 1368/2001, 1269/1999, 1383/2001, 1386/2001 and they concern measures against Osama bin Laden, the Al-Qaeda, Taliban, Afghanistan, a weapon embargo, the ban on certain services, the freeze of financial assets and economic resources, the obligation of a member states for police and judicial cooperation. An overview of complex resolutions, sanction committees and UN policy against terrorism has been published on the UNSC web site http://www.un.org/Docs/sc/.

6. Procedure in the case of persons, against which sanctions have been declared according to a regulation of the Government of the Slovak Republic

In its Common Position 2001/931/CFSP as amended by Common Position 2008/586/CFSP, the European Union has published a list of sanctioned persons (natural persons and legal persons), which are brought into connection with terrorism and against which it is necessary to apply sanctions within the combat of terrorism. Persons in the list of EU Common Position 2001/931/CFSP are subdivided into "external terrorists" and "internal terrorists" (in this case these are persons marked with an "*", which are EU citizens or have their seat in the EU, for example members of the Basque organisation E.T.A. and extremist groups primarily from Spain and North Ireland).
Financial sanctions under Art. 3 of EU Common Position 2001/931/CFSP are applied against the group of the so-called external terrorists. The implementation of these sanctions is regulated by the EU Council Decision 2005/428/CFSP and by Council Regulation No. 2580/2001, which means in practice that based on directly applicable EU legislation, sanctions are binding for everybody in all EU member states and directly enforceable.
Financial sanctions are not applied against internal terrorists, because the Treaty on the EU does not enable this, in that it gives the mandate for the implementation of restrictive measures within the common market and financial services only against third countries (Art. 60 and 301 of the Treaty on the EU, i.e. the introduction of financial sanctions from the community level against the citizens of the EU has no mandate). At the EU level, only the so-called reinforced judicial and police cooperation based on Art. 4 of EU Common Position 2001/931/CFSP against internal terrorists and at the same time in accordance with Council Decision 2005/671/JHA of 20 September 2005 on the exchange of information and cooperation concerning terrorist offences is applied.
However, persons stated in the list of EU Common Position 2008/586/CFSP, marked with an "*" are terrorists and based on UNSC Resolution 1373/2001 on the suppression of terrorist financing, as well as based on Art. 2 of EU Common Position 2001/930/CFSP all countries have the duty to freeze economic and financial assets to all persons, which could be designated as terrorists or provide assistance to or in any way linked to terrorist structures.
Due to the above facts, the Slovak Republic has not been able to declare sanctions against internal terrorists of the EU, therefore the freeze of terrorist activities against the said persons had to be laid down at the national legislation level. This has been done by Regulation of the Government of the Slovak Republic No. 397/2005 Coll., by which international sanctions ensuring international peace and security are declared, amended by Regulations of the Government No. 209/2006 Coll., No. 484/2006 Coll., No. 488/2007 Coll. and No. 239/2008 Coll. (hereinafter referred to as "Regulation No. 397/2005 Coll."). Regulation No. 397/2005 Coll. contains a list of those sanctioned persons, whose activity is bound to the territory of EU member states or which are EU citizens.
Banks are obliged to freeze without delay all financial and economic assets for the sanctioned persons included in the list published in the annex of Regulation of the Government of the Slovak Republic No. 397/2005 Coll.

H. PRESERVATION OF DATA AND DOCUMENTATION

For the purposes of conducting customer diligence (Art. 10 to 12 of the Act), the bank is entitled detect, acquire, record, preserve, use and otherwise process the personal data of the customer and

other data to the extent stated in Art. 10 (1) and Art. 12 of the Act. The bank is entitled to acquire the necessary personal data also by copying, scanning or other recording of official documents on information media, as well as to process birth numbers and other data and documents without the consent of the customer and to the extent stated in the said provisions of the Act.
The bank shall preserve (archive) data on the identification of customers and on the verification of identification, records on transactions and financial operations of customers and records on the establishment of the identification of beneficial owners, including photocopies of relevant documents. Pursuant to Art. 19 (1) and (2) of the Act, the bank is obliged to preserve
- data and written documents obtained using the procedure under Art. 10 to 12 of the Act for 5 years from the termination of the contractual relationship with the customer,
- all data and written documents on the customer for 5 years from the performance of the transaction.
The bank is obliged to preserve the above data and written documents even for a longer period of time than 5 years, if the FIU requests it from the bank by a written request containing the time limit and extent of preservation of data and written documents.
The above duties also apply to a bank, going to terminate its activity, until the expiration of period of time, during which the bank is oblige to preserve those data and written documents.
The procedure of the bank within the preservation of data and documentation – records related to protection against money laundering and terrorist financing is regulated by the Program of the bank, which, according to the Act, has to set in more details
- which records have to be archived (at least the data on the identification of the customer and records on his business operations and data on the identification of the beneficial owner),
- the form of records (paper form, electronic form),
- where, how and how long records are to be preserved, taking into account
1. the termination of the contractual relationship with the customer,
2. the performance of the transaction with the customer and
3. the written request of the FIU and the designated person (Art. 19 (3) of the Act).
The records drawn up and preserved by the bank have to fulfil the legal requirements for keeping records on customers and at the same time they have to enable
- the evaluation of the effectiveness of basic principles, as well as procedures of the bank for protection against money laundering and terrorist financing by an independent person,
- to reconstruct the course of financial operations performed by the bank for the customer,
- to identify properly and localize any customer,
- to identify all internal notifications of an UBO and external reports on an UBO,
- to fulfil within an adequate period of time the legal requirements of the FIU, supervisory authority and authorities in charge of criminal proceedings related to the customer and the financial operation.
Records on the riskiness of the customers
A subject of preservation are specific questionnaires related to the assignment of customers to groups by the riskiness of their activities or operations. Any important information, which confirms the circumstances justifying the assignment of a customer to a different risk group (thereby a change of his risk profile), acquired by communication with the customer or otherwise, shall be recorded and preserved together with other data on the customer.
Records on financial operations
Internal regulations of the bank have to set the obligation of recording all financial operations performed for customers, in the bank's accounting and reporting. Records on financial operations, which document accounting items, are supposed to be archived in a form, which enables the FIU, the supervisory authorities, control authorities and bodies in charge of criminal proceedings to set up a satisfactory record and to verify the risk profile of each customer. Supporting records contain the customer's instructions related to the payments of the customer. The bank archives the records on each financial operation conducted by the customer, including one-time operations and operations performed for customers that have not opened an account with the bank. In such a case, the time limit for preservation is the same as for the preservation of

identification records and documentation.
Records on internal notifications of an UBO and reports on an UBO
The bank must preserve all reports on unusual activities of customers – both internal notifications of an UBO destined for the DP and reports on an UBO, which the DP has sent to the FIU.
If after assessing the relevant information and knowledge related to unusual activity of the customer the DP decided that the business operation was no UBO and sent no report to the FIU, the reasons of such a decision have to be also recorded and preserved together with the records on the corresponding business operation.
Records on performed education and training
The bank preserves records on performed training of the competent employees, which contain the date and content of the performed education and a description of the competent employee confirming that the competent employee has participated in the training and has acquainted himself with the bank's Program for protection against money laundering and terrorist financing and related internal regulations of the bank.
The form of preserved records, retrieval of records
Subject to data preservation are originals or, if applicable, photocopies of paper source documents and documentation, as well data saved in personal computers and mechanical media of electronic data. The time limits for preservation are the same irrespective of the form, in which those data are archived.
Due to the need of additional provision of data on customers and financial operations of customers, above all for the FIU and bodies in charge of criminal proceedings, it is important that the bank be able to retrieve the necessary source documents (documentation and media) with data or records without undue delay and, in the case of a started verification or investigation, preserve them even after the expiry of the legal time limit until the competent body announces that a further preservation thereof is not necessary anymore.

I. THE ENSURING, SYSTEM AND PERFORMANCE OF INTERNAL CONTROL

A system of control aimed at the fulfilment of measures for protection against money laundering and terrorist financing must work in a reliable way at the bank. The system of control is made up by the determination of control responsibilities at all levels of management and ensuring the performance of banking activities, as well as the performance of control activity by

- the supervisory board of the bank,
- members of the statutory body,
- the designated person (the deputy to the DP and the prevention unit),
- managerial employees,
- competent employees within the processing of instructions (financial operations) of customers and
- the internal control and internal audit unit, upon which the control of all units of the bank falls, including the DP and the prevention unit and the competent employees.

Control performed by the statutory body of the bank and by the supervisory board of the bank
It is based on generally binding legal regulations and internal regulations of the bank and results from the position in the hierarchy of the management system of the bank. Regularly, at least once a year, the statutory body of a bank and the head of the branch office of a foreign bank evaluates the effectiveness of the existing system – the concept for protection of the bank against money laundering, the Program and particular measures, including the activity of the competent units and employees.
Control activity of the DP and managerial employees
It results from the competences, duties and responsibilities of the DP and of each managerial employee and is being performed as a regular and ongoing activity of controlling the fulfilment of work duties of subordinated employees in the field of protection against money laundering and terrorist financing.
Internal control and internal audit
The bank's internal control and internal audit unit controls the fulfilment of compliance with the Program and internal regulations and procedures adopted by the bank for the purposes of protection against money laundering and terrorist financing, as well as the performance of duties

by the competent employees, managerial employees and by the designated person (the deputy to the DP and the prevention unit).
The performance of the control is supposed to focus on controlling
- the conduct of the corresponding degrees (levels) of customer diligence,
- the procedures for ensuring an up-to-date state of the acquired information on customers (verification),
- the assessment of particular financial operations, monitoring of customers, their financial operations and business relationships,
- the evaluation and management of risks,
- the internal notification of an UBO and the reporting of an UBO to the financial intelligence unit,
- the conduct of training of employees and
- the preservation of records.
The control procedures and the type and extent of the resulting information serve as source information for verifying whether the bank‘s measures for protection against money laundering and terrorist financing are sufficient.
The statutory body should be informed on the results of the performed controls and audits at regular intervals, e.g. twice a year and, if serious deficiencies are detected, without delay.
In addition to controlling activities focusing on compliance with day-to-day routine activities by the employees of the bank at the individual workplaces at the headquarters, as well as in the network of branch offices of the bank, the whole system and process of prevention or protection of the bank against money laundering and terrorist financing, too, has to to be subject to an internal audit. The internal audit is supposed to evaluate the functionality, effectiveness and efficiency of all elements, instruments, procedures and managing and controlling mechanisms applied by the bank in this field.
This type of internal audit should be performed in accordance with the plan of activities of the internal control and internal audit unit with a periodicity resulting from an evaluation of the riskiness of the individual fields of activity of the bank. Due to the risk of loss of the bank’s credit associated with undesired participation in money laundering and terrorist financing, it is appropriate that this type of internal audit be performed at least once per a calendar year.

CONCLUSION

Methodological Instruction of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist financing is repealed.
Ing. Martin Barto, CSc. m.p.
The Vicegovernor

Annex

EXAMPLES OF UNUSUAL BUSINESS TRANSACTIONS

1. Money laundering through cash transactions

(a) Unusually high amount of cash deposits made by a natural person or legal entity in such business activities that would normally involve the use of cheques and other instruments.
(b) Significant increase in the amount of cash deposits made by a natural person or legal entity without any obvious reason, especially if such deposits are shortly transferred from their account and/or to a destination which is not normally connected with the client.
(c) Clients making cash deposits by using many cash deposit forms so that the amount of any such deposit is insignificant but the overall amount of all deposits is high.
(d) Accounts of a legal entity whose business operations, such as deposits and withdrawals, are realised in cash rather than by way of a debit or credit, which form is usually used by business corporations (e.g. cheques, letters of credit, bills of exchange, promissory notes, etc.).
(e) Clients who each time make cash deposits to cover bank bills of exchange, cash transfers or other negotiable and liquid cash instruments.
(f) Clients asking for the exchange of a large number of banknotes of a low nominal value

for banknotes with a greater nominal value.
(g) Frequent exchange of cash money for other currencies.
(h) Branches having a lot more transactions in cash than usual.
(i) Clients whose deposits contain false banknotes or forged documents.
(j) Clients transferring high amounts of money abroad or from abroad with the use of cash payment orders.
(k) High cash deposits through night deposit box services, which enables avoiding direct contact with bank employees.

2. Money laundering through bank accounts

(a) Clients wishing to possess many holder or client accounts which are apparently not related to the kind of business, including business transactions, in which the administrators of the holder accounts engage.
(b) Clients who possess many accounts and deposit cash in each of them under such circumstances under which the aggregate sum of the deposits represents a high amount.
(c) Any natural person or legal entity whose account does not show any standard activities of a private account or corporate banking, but is used to receive or disburse high amounts that have no obvious purpose or relation to the account holder and/or his firm (e.g. considerable increase in account transactions).
(d) Clients holding accounts in several financial institutions in the same region, especially when the bank is aware of the regular consolidation of funds from such accounts before an order of transfer of such funds is given.
(e) Matching the transfer orders with the cash deposited in the account on the same or previous day.
(f) Depositing third party cheques issued in a high amount that are endorsed in favour of the client.
(g) High cash withdrawals from an account that was dormant/ inactive in the past or from an account to which an unexpected high deposit has been just credited from abroad.
(h) Clients who are jointly or concurrently using different bank counters to realise large business transactions in cash or foreign exchange transactions.
(i) Frequent use of safe deposit box services. Increased activity on the part of natural persons. The parcels that are placed inside or taken out are sealed.
(j) Representatives of legal entities avoid contact with the branch.
(k) Significant increase of cash deposits or negotiable securities by a legal entity using the accounts of another client or internal accounts of the company or holder accounts, especially when the deposits are immediately transferred between another company of the client and the holder accounts.
(l) Clients who refuse to provide information on the basis of which they could obtain a credit or other bank services under common circumstances.
(m) Insufficient use of standard bank services, e.g. avoiding services with high interest rates for a high balance.
(n) A large number of persons making payments into the same account without reasonable grounds.

3. Money laundering through banking activities

(a) Use of letters of credit and other methods of financing a business deal to transfer money between countries in which such business deal is inconsistent with the client's ordinary business activities.
(b) Clients who regularly make large payments, including bank transactions that cannot be clearly identified as transactions in good faith, into countries that are commonly associated with the production, processing or sale of drugs or with terrorist organisations or which regularly receive large payments from such countries.
(c) Significant account balance increase that does not correspond to the known turnover of the client's company and subsequent transfer into an account (accounts) abroad.
(d) Unexplained electronic transfers by clients of funds from/into an account or without employing an account.

(e) Frequent requests to issue traveller's cheques, bills of exchange in a foreign currency or other negotiable securities.
(f) Frequent depositing of traveller's cheques or bills of exchange in a foreign currency, notably if these originate abroad.

4. Money laundering through business transactions related to investments

(a) Purchase of securities that are to be kept in a financial institution's safe deposit boxes in instances when it appears to be inappropriate with regard to the client's apparent situation.
(b) Consecutive deposit/credit transactions with subsidiaries or branches of foreign financial institutions in regions known for illicit dealing in drugs.
(c) Clients' requests for investment (securities) management services if the source of funds is unknown or does not correspond to the client's apparent situation.
(d) High or unusual in-cash settlement of securities.
(e) Purchase and sale of a security without an obvious purpose or under circumstances that seem to be unusual.

5. Money laundering with the engagement of employees and intermediaries

(a) Changes in the employee's common behaviour, e.g. maintaining a costly lifestyle or avoiding a vacation.
(b) Changes in an employee's or intermediary's performance, e.g. a dealer selling products for cash has apparently or unexpectedly increased his performance.
(c) Any transaction with an intermediary when the identity of the beneficial owner or the counter party is kept secret in contradiction with the standard procedure applied to the particular type of transaction.

6. Money laundering through secured and unsecured loans

(a) Clients who have repaid non-performing loans unexpectedly.
(b) An application for a loan against assets possessed by a financial institution or a third party where the origin of such assets is unknown or such assets do not correspond to the client's situation.
(c) If a client requests a financial institution to grant or secure funds where the source of the client's financial contribution to the business transaction is unclear, especially with the use of real property.

Important information and documents related to preventive measures against money laundering and terrorist financing are on the following web sites:
www.un.org
www.fatf-gafi.org
www.coe.int/moneyval
www.bis.org
www.amlcft.org
www.wolfsberg-principles.com
www.fsa.gov.uk
www.fdic.gov
www.c-ebs.org

Contacts:
National Bank of Slovakia
- Licencing and Enforcement Department: phone No. 02 5787 2873, 02 5787 2883
- Supervisory Department: phone No. 02 5787 2834

Ministry of the Interior of the Slovak Republic, Financial Police Intelligence Unit:
phone No. 09610 514 05
09610 514 02
0905 962 815
Ministry of Finance of the Slovak Republic: phone No. 02 5958 2520

ANNEX XIX: STATISTICS ON TRAININGS

Department/ division: Financial Intelligence Unit

Year	N	Topic of training	Provider of training	Venue of training	Duration of training	Number of staff having participated in training
2006	1	Analyst Notebook	the company VERI 2	FIU	2 weeks	All staff
	2	Income tax of natural person	Tax Authority	FIU	1 day	All staff
	3					
2007	1	Application of AML/CFT LAW and new forms of money laundering	Management of FIU	FIU	Twice per year – 2 days	All staff
	2	Money laundering and financial crime	CEPOL	Portugal	5 days	2 (consequently all staff)
	3	Workshop related to terrorist financing	CCTTF	The Netherlands	2 days	1 (consequently all staff)
	4	Detection of cash courrers for purposes of ML and TF	IMF	Ukraine	5 days	1 (consequently all staff)
2008	1	VAT	Tax Authority	FIU	1 day	All staff
	2	Application of AML/CFT LAW and new forms of money laundering	Management of FIU	FIU	Twice per year – 2 days	All staff
	3	Workshop related to Identification, detection and prevention of ML and TF cases	Belgium	Belgium	2 days	1 (consequently all staff)
	4	Conference related to Illegal cash courriers	Intelpol	Lyon	4 days	1 (consequently all staff)
	5	Combating ML and TF on the level of FIUs	FIU Poland	Warsaw	3 days	1 (consequently all staff)
	6	FATF and Moneyval typologies	Moneyval	Monaco	5 days	1 (consequently all staff)
	7	Combating ML and TF – identification, detection and recovery of income of criminal activities	LEA of the Czech Republic	Praha	3 days	1 (consequently all staff)
	8	AWF Sustrans	Europol	Bratislava	1 day	10

2009	1	Application of AML/CFT LAW and new forms of money laundering	Management of FIU	FIU	Twice per year – 2 days	All staff
	2	Prevention and combating money laundering and terrorism	Macedonia	Macedonia	3 days	1 (consequently all staff)
	3	Training related to verification of phishing, pharming and internet fraud	Management of FIU	FIU	1 day	All staff
	4	Prevention and combating of ML and TF	FIU Macedonia	Macedonia	3 days	1 (consequently all staff)
	5	Typologies meeting on ML in insurance sector and internet gambling	FIU Cyprus	Cyprus	5 days	1 (consequently all staff)
	6	FBI/European TF	FBI	Hungary	4 days	1 (consequently all staff)
	7	AWF Coper	Europol	Bratislava	1 day	2
	8	Money laundering	Canadian Police	FIU	1 day	All staff
	9	Receiving, analysing of UTR	Management of FIU	FIU	3 days	All staff
	10	Control activities, on-site control	Management of FIU	FIU	1 day	7
	11	Financial verification	Management of FIU	FIU	1 day	All staff
31.8. 2010	1	Application of AML/CFT LAW and new forms of money laundering	Management of FIU	FIU	2 days	All staff
	2	Cash couriers	TAIEX	Ukraine	2 days	1 (consequently all staff)
	3					