I. (Regarding Article 24(1) of the Act)
Accounts for holding minimum reserves

1. A bank or a foreign bank branch (hereinafter referred to as a “bank”) and a credit union (hereinafter referred to as a “credit union”) shall hold minimum reserves as follows:
   a) where it is a direct participant of the CERTIS payment system operated by the Czech National Bank, it shall hold the minimum reserves on its payment system account and also on its cash deposit and withdrawal account with the Czech National Bank, if it has opened such an account,
   b) where it is not a direct participant of the CERTIS payment system, it shall hold the minimum reserves on its cash deposit and withdrawal account, if it has opened such an account,
   c) where it is not a participant of the CERTIS payment system and has not opened a cash deposit and withdrawal account, it shall hold the minimum reserves on a special minimum reserves account with the Czech National Bank; in such case the bank or credit union shall apply for the opening of the said special account at least ten days before the start of the maintenance period in which it is required to deposit minimum reserves with the Czech National Bank for the first time.
2. A bank or a credit union shall contact Department 320 – Cash and Payment Systems with an application to open a payment system account with the Czech National Bank. The contact e-mail address is:

certis@cnb.cz

and the contact persons are:

Milada Macková  telephone: 224 413 675  e-mail: Milada.Mackova@cnb.cz
Petr Kocfelda  telephone: 224 413 355  e-mail: Petr.Kocfelda@cnb.cz

3. A bank or a credit union shall contact Department 320 – Cash and Payment Systems with an application to open a cash withdrawal and deposit account with the Czech National Bank. The contact persons are:

Jana Bidlová  telephone: 224 412 703  e-mail: Jana.Bidlova@cnb.cz
Tomáš Pekárek telephone: 224 413 897  e-mail: Tomas.Pekarek@cnb.cz

4. A bank or a credit union shall contact Department 220 – Budget and Accounting with an application to open a special minimum reserves account with the Czech National Bank. The contact e-mail address is:

uctybank@cnb.cz

and the contact persons are:

Marie Hartmannová  telephone: 224 412 309
Miloslava Říhová  telephone: 224 412 827  fax: 224 414 486

II. (Regarding Article 5 of the Decree)

Reserve base

1. To determine the reserve base in respect of a particular maintenance period, a bank shall use the statement Bil (ČNB) 1-12 “Monthly balance of assets and liabilities of a bank/foreign bank branch”, data area RIS11_26 “Data for the reserve requirement calculation”. A credit union shall use the statement DZ (ČNB) 26-12 “Monthly statement of selected liabilities for the reserve requirement calculation”, data area RISII_26 “Data for the reserve requirement calculation”.

2. The reserve base shall be determined according to the following formula (using column 1 “Residents and non-residents, total”):
Row 7: deposits and loans accepted from entities other than banks or credit unions with maturity up to and including two years
Row 8: loans from repo transactions accepted from entities other than banks or credit unions with maturity up to and including two years
Row 9: non-marketable debt securities issued with maturity up to and including two years
Row 10: banks’ holdings of non-marketable debt securities issued with maturity up to and including two years
Row 11: credit unions’ holdings of non-marketable debt securities issued with maturity up to and including two years
Row 12: other debt securities issued with maturity up to and including two years
Row 13: banks’ holdings of other debt securities issued with maturity up to and including two years
Row 14: credit unions’ holdings of other debt securities issued with maturity up to and including two years

Maturity is understood to mean the original maturity of liabilities.
The calculated required amount of minimum reserves shall be rounded to the nearest whole koruna.

III.
(Regarding Article 5 of the Decree)
Verification of the required amount of minimum reserves

1. The bank or the credit union shall calculate the required amount of minimum reserves and, in order to verify the correctness of its calculation, shall notify the Czech National Bank thereof at the latest on the 25th calendar day of the month preceding the month in which the maintenance period starts. The Czech National Bank shall acknowledge the notified amount of minimum reserves at the latest by the end of the business day preceding the start of the maintenance period. If the notified amount of minimum reserves does not match the calculation made by the Czech National Bank, the required amount of minimum reserves shall be determined by consultation between the Czech National Bank and the bank or credit union concerned within the deadline given in the second sentence of this paragraph.

2. For the purposes of calculating the required amount of minimum reserves, the Czech National Bank shall take into account revisions to the amount of minimum reserves resulting from corrections made to erroneous reporting of liabilities in the statistical statements at the latest by the 15th calendar day of the month in which the maintenance period started. The requisites of such revisions are: written form, specification of the amount of liabilities whose revision has affected the reserve base, the revised required amount of minimum reserves, and a brief justification. The Czech National Bank shall send its opinion within three business days of receiving the request.
3. If the day on which the time limit specified in paragraphs 1 and 2 is to end is not a business day, the last day of the time limit shall be the nearest following business day.

4. To notify and revise the required amount of minimum reserves, a bank or a credit union shall contact Department 610 – Financial Markets. The contact e-mail address is:

pmr.potvrzeni@cnb.cz

and the contact persons are:

Miroslava Mrlíková  telephone: 224 412 582  e-mail: Miroslava.Mrlikova@cnb.cz
Ondřej Stanislav  telephone: 224 414 358  e-mail: Ondrej.Stanislav@cnb.cz
Jiří Vataha  telephone: 224 413 473  e-mail: Jiri.Vataha@cnb.cz

IV.
(Regarding Article 4(1) of the Decree)

Maintenance period

The maintenance period calendar, including the applicable statement for calculating the minimum reserves for 2014 and 2015, is as follows:

<table>
<thead>
<tr>
<th>Reserve maintenance period</th>
<th>Statement for calculating minimum reserves as of</th>
</tr>
</thead>
<tbody>
<tr>
<td>from 6 November 2014 to 3 December 2014</td>
<td>30 September 2014</td>
</tr>
<tr>
<td>from 4 December 2014 to 31 December 2014</td>
<td>31 October 2014</td>
</tr>
<tr>
<td>from 1 January 2015 to 4 February 2015</td>
<td>30 November 2014</td>
</tr>
<tr>
<td>from 5 February 2015 to 4 March 2015</td>
<td>31 December 2014</td>
</tr>
<tr>
<td>from 5 March 2015 to 1 April 2015</td>
<td>31 January 2015</td>
</tr>
<tr>
<td>from 2 April 2015 to 6 May 2015</td>
<td>28 February 2015</td>
</tr>
<tr>
<td>from 7 May 2015 to 3 June 2015</td>
<td>31 March 2015</td>
</tr>
<tr>
<td>from 4 June 2015 to 1 July 2015</td>
<td>30 April 2015</td>
</tr>
<tr>
<td>from 2 July 2015 to 5 August 2015</td>
<td>31 May 2015</td>
</tr>
<tr>
<td>from 6 August 2015 to 2 September 2015</td>
<td>30 June 2015</td>
</tr>
<tr>
<td>from 3 September 2015 to 30 September 2015</td>
<td>31 July 2015</td>
</tr>
<tr>
<td>from 1 October 2015 to 4 November 2015</td>
<td>31 August 2015</td>
</tr>
<tr>
<td>from 5 November 2015 to 2 December 2015</td>
<td>30 September 2015</td>
</tr>
<tr>
<td>from 3 December 2015 to 6 January 2016</td>
<td>31 October 2015</td>
</tr>
</tbody>
</table>
V.
(Regarding Articles 3 and 3a(4) of the Decree)

**Compliance with the reserve requirement**

1. The average amount of minimum reserves shall be calculated from the end-of-day balances on the account(s) on which the bank or credit union holds minimum reserves pursuant to Part I item 1. The average amount of minimum reserves for the maintenance period shall be calculated as the sum of these end-of-day balances on the individual days of the maintenance period divided by the number of calendar days in the maintenance period. For non-business days, the end-of-day balance of the nearest preceding business day shall be used for the sum of the end-of-day balances on these accounts. The average amount of minimum reserves shall be rounded to the nearest koruna.

2. If the bank or credit union holds minimum reserves on a cash deposit and withdrawal account pursuant to Part I item 1a) or b) and the end-of-day balance on this account is negative, a zero balance shall be used to calculate the average amount of minimum reserves.

VI.
(Regarding Article 24(1) of the Act)

**Remuneration of reserve holdings**

1. The interest paid on reserve holdings shall be calculated from the average amount of minimum reserves, but at most the amount required by the Decree, and the number of calendar days of the maintenance period. The interest rate shall be the two-week repo rate of the Czech National Bank applicable during the maintenance period and announced in the Bulletin of the Czech National Bank.

2. Interest paid on reserve holdings shall be calculated according to the formula:

\[
R_t = \frac{PMR_t \times n_t \times US_t}{360 \times 100} \quad \quad US_t = \sum_{i=1}^{n_t} \frac{us_i}{nt}
\]

where:

- \( R_t \) = interest to be paid on reserve holdings in maintenance period t
- \( PMR_t \) = the average amount, but at most the required amount, of minimum reserves in maintenance period t
- \( n_t \) = the number of calendar days in maintenance period t
- \( US_t \) = the average interest rate over maintenance period t
- \( i \) = the i-th calendar day of maintenance period t
- \( us_i \) = the 2W repo rate on day i
3. The Czech National Bank shall calculate the interest to three decimal places and round the final interest to the nearest heller.

4. The Czech National Bank shall pay the interest on reserve holdings on the second business day following the end of the maintenance period over which the interest was earned.

5. The interest paid on reserve holdings and any interest charged for non-compliance with the reserve requirement (see Part VII) shall be credited/debited by the Czech National Bank to
   a) the internal account of the bank or credit union if the minimum reserves are held on the payment system account pursuant to Part I item 1a); in this case the bank or credit union shall inform the Czech National Bank of its internal account for crediting interest paid on reserve holdings and for debiting interest charged for non-compliance with the reserve requirement and of any changes in this account;
   b) the cash deposit and withdrawal account if the bank or credit union holds minimum reserves on this account only;
   c) the special minimum reserves account with the Czech National Bank if the bank or credit union holds minimum reserves on this account;

6. The Czech National Bank contact point taking receipt of information on the internal accounts of a bank or credit union for crediting interest paid on reserve holdings and debiting interest charged for non-compliance with the reserve requirement pursuant to Part VI item 5a) shall be Department 320 – Cash and Payment Systems. This fact shall be in accordance with the contract on the maintenance of a payment system account and submission of interbank payment data between the bank or credit union and the Czech National Bank.

VII. (Regarding Article 25 of the Act)

Measures imposed in the event of non-compliance with the reserve requirement

1. Where the bank or credit union fails to hold the required amount of minimum reserves, the Czech National Bank is entitled to charge it interest at double the effective Lombard rate announced in the Bulletin of the Czech National Bank on the amount of minimum reserves which the bank fails to provide. The amount which the bank fails to provide shall be the difference between the required amount of minimum reserves and their average amount for the maintenance period.

2. Interest paid for non-compliance with the reserve requirement shall be calculated according to the following formula:

\[
SU_t = \frac{ND_t \times \eta_t \times SUS_t}{360 \times 100}
\]

\[
SUS_t = \sum_{i=1}^{n_t} \frac{SUS_i}{It_t}
\]
where:

\[ SU_t = \text{interest charged for non-compliance with the reserve requirement in maintenance period } t \]
\[ ND_t = \text{the non-compliance amount (the difference between the required amount of minimum reserves and the average amount of minimum reserves in maintenance period } t \) \]
\[ SUS_t = \text{the average rate for non-compliance with the reserve requirement in maintenance period } t \]
\[ i = \text{the } i\text{-th calendar day of maintenance period } t \]
\[ sus_i = \text{the rate for non-compliance with the reserve requirement on calendar day } i \text{ (double the Lombard rate)} \]
\[ n_t = \text{the number of calendar days in maintenance period } t \]

3. The Czech National Bank shall calculate the interest charged for non-compliance with the reserve requirement to three decimal places and round the final interest to the nearest heller.

4. The Czech National Bank shall collect the interest charged for non-compliance with the reserve requirement on the 15th calendar day of the month following the month in which the maintenance period started. Where this is not a business day, the Czech National Bank shall collect the interest on the following business day.

VIII.
The holding of minimum reserves in the event of the winding-up, conversion, transfer of the business or division of a bank or credit union

It is recommended that the procedure regarding compliance with the reserve requirement in the event of the winding-up, conversion, transfer of the business or division of a bank or credit union be consulted with the Czech National Bank sufficiently in advance.
IX.

This Official Information shall apply from 3 November 2014. As of the same day, Official Information of the Czech National Bank of 28 August 2013, regarding Articles 24 and 25 of Act No. 6/1993 Coll., on the Czech National Bank, as amended by Act No. 227/2013, and regarding Decree No. 253/2013 Coll., stipulating the terms and conditions for creating minimum reserves, shall cease to be in force.

Vice-Governor

Mojmír Hampl

Financial Markets Department
Responsible employee:
Vataha, tel. 224 413 473