

209/2021 Coll.

DECREE

of 19 May 2021

on the remuneration and reimbursement of cash expenditures of liquidators of banks and credit unions

Pursuant to Article 36(7) of Act No. 21/1992 Coll., on Banks, as amended by Act No. 338/2020 Coll., and Act no 96/2022 Coll., and pursuant to Article 13(9) of Act No. 87/1995 Coll., on Credit Unions and Certain Related Measures and on the Amendment of Czech National Council Act No. 586/1992 Coll., on Income Taxes, as amended, as amended by Act No.303/2013 Coll., Act No. 338/2020 Coll., and Act No. 96/2022 Coll., the Czech National Bank stipulates the following:

Article 1

Subject of regulation

This Decree stipulates the manner of determining the reimbursement of cash expenditures and the remuneration of liquidators of banks and credit unions, the maximum amount thereof paid by the state and the manner of payment.

Article 2

Definition of terms

For the purposes of this Decree, the following definitions shall apply:

- a) "credit institution" shall mean a bank and a credit union,
- b) "value of assets" shall mean the total assets of a credit institution determined from the last balance sheet published pursuant to the decree governing the performance of the activities of banks, credit unions and investment firms¹⁾ before a credit institution goes into liquidation,
- a) "liquidation assets" shall mean the asset balance remaining after all actions necessary to execute liquidation have been performed and before the liquidator's remuneration has been settled.

Article 3

Determining the remuneration of a liquidator

The remuneration of a liquidator shall be determined as follows:

- a) CZK 1,800,000 if the value of assets is less than CZK 5,000,000,000,
- b) CZK 2,700,000 if the value of assets is equal to or greater than CZK 5,000,000,000 but less than CZK 150,000,000,000,
- b) CZK 3,600,000 if the value of assets is equal to or greater than CZK 150,000,000,000 but less than CZK 750,000,000,000,
- a) CZK 4,500,000 if the value of assets is equal to or greater than CZK 750,000,000,000.

Article 4

Manner of payment of the remuneration of a liquidator

(1) The remuneration of a liquidator shall be paid from the liquidation assets and shall be payable within 30 days of the date of deletion of a credit institution from the Commercial Register.

(2) If the liquidation ends before the value of the liquidation assets has been ascertained, the remuneration shall be payable within 30 days following the end of the liquidation.

(3) The liquidator shall deposit the amount corresponding to the remuneration net of any advances paid from the remuneration on a special account maintained by the Czech National Bank without undue delay following a decision of the Czech National Bank determining the amount of the remuneration.

(4) A reasonable advance on the remuneration may be paid, even repeatedly, from a credit institution's assets during the course of liquidation after approval by the Czech National Bank, even before a decision determining the amount of the remuneration is issued. If the total amount of the advances paid exceeds the amount of a liquidator's remuneration determined by the Czech National Bank, the liquidator shall, always before the end of the liquidation, return the difference to the credit institution without undue delay.

Article 5

Remuneration of a liquidator in the event of suspension of the liquidation of a credit institution due to the declaration of bankruptcy

(1) If the liquidation of a credit institution is suspended due to the declaration of bankruptcy, the Czech National Bank shall determine the remuneration of the liquidator without undue delay. It may adjust the remuneration pursuant to Article 7(1).

(2) After the suspension of liquidation ends, the provisions governing the remuneration of the liquidator after the cancellation of the deletion of a credit institution from the Commercial Register shall apply mutatis mutandis to the determination and manner of the payment of the remuneration of the liquidator.

Article 6

Remuneration of a liquidator for liquidation after cancellation of deletion of a credit institution from the Commercial Register

(1) In the event of liquidation after cancellation of the deletion of a credit institution from the Commercial Register, the monthly remuneration of the liquidator shall be CZK 60,000. Article 3 shall not apply.

(2) The remuneration of the liquidator pursuant to paragraph (1) shall be paid from the assets of a credit institution and is payable retrospectively for the calendar month by the end of the following calendar month. Article 4 shall not apply.

Article 7

Adjustment of the remuneration of a liquidator in justified cases

(1) The Czech National Bank may increase or decrease the remuneration of a liquidator from the amounts specified in Article 3 and Article 6(1) even after having already decided on the determination of the remuneration, taking into account in particular the complexity, difficulty and duration of the liquidation or the number of efficiently and reasonably performed actions.

(2) If more than one liquidator contributed in turn to the liquidation of a credit institution, each of them shall be entitled to a share in the remuneration depending on the scope and duration of their work.

Article 8

Cash expenditures of a liquidator

(1) A liquidator shall be entitled to the reimbursement of cash expenditures, especially expenditures on court and other fees, travel, post and telecommunications fees, expert reports and opinions, translations, and duplicates and photocopies, incurred efficiently and reasonably in connection with the liquidation of a credit institution.

(2) To determine the amount of reimbursement of travel expenses, the Labour Code shall apply *mutatis mutandis*.

Article 9

Manner of the reimbursement of cash expenditures of a liquidator

Cash expenditures shall be reimbursed up to the proven amount for each month in which they were incurred. The reimbursement of cash expenditures may only be made after approval by the Czech National Bank.

Article 10

Procedure to be followed in the event of insufficient assets of a credit institution

(1) If the assets of a credit institution are not sufficient to remunerate the liquidator of a credit institution in full or in part, the state shall pay the remuneration specified in Articles 3 to 6 to the liquidator to the extent that cannot be paid from its assets, subject to a maximum amount of CZK 300,000.

(2) If the assets of a credit institution are not sufficient to reimburse the cash expenditures of the liquidator in full or in part, the state shall reimburse the cash expenditures specified in Article 8 to the liquidator to the extent that cannot be paid from its assets, subject to a maximum amount of CZK 300,000. The reimbursement shall be made within 30 days from the date of issue of approval by the Czech National Bank.

(3) If the remuneration and cash expenditures to which the liquidator is entitled are paid by the state, the state shall pay these amounts.

Article 11

Transitional provision

The determination and payment of the remuneration and reimbursement of cash expenditures of a liquidator, whose remuneration was determined before the date of effect of

this Decree, shall be subject to previous legal regulations. The determination and payment of the remuneration and reimbursement of cash expenditures of a liquidator appointed after 30 September 2020, whose remuneration was not determined before the date of effect of this Decree, shall be subject to this Decree.

Article 12

Effect

This Decree shall take effect on the day following that of its promulgation.

Governor:

Jiří Rusnok

1) Decree No. 163/2014 Coll., on the performance of the activities of banks, credit unions and investment firms, as amended.