

A Public Notice

announcing a

PROVISION OF A GENERAL NATURE

repealing selected provisions of a general nature

of 22 July 2021

Pursuant to Article 20d(1) of Act No. 21/1992 Coll., on Banks, as amended by Act No. 135/2014 Coll., (hereinafter referred to as the “Act on Banks”), and Article 9a(1) 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. 135/2014 Coll. (hereinafter referred to as the “Act on Credit Unions”), the Czech National Bank as a competent administrative authority hereby issues this provision of a general nature:

I. The CNB’s provision of a general nature regarding prudential consolidation of 16 October 2014, Ref. No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to banks and credit unions.

II. The CNB’s provision of a general nature regarding exposures secured by property of 16 October 2014, Ref. No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to banks and credit unions.

III. The CNB’s provision of a general nature regarding valuation of 16 October 2014, Ref. No. 2014/47553/CNB/560 shall be repealed insofar as applicable to banks and credit unions.

IV. The CNB’s provision of a general nature regarding capital deductions of 16 October 2014, Ref. No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to banks and credit unions.

V. The CNB’s provision of a general nature regarding the submission of consolidated financial information of 16 October 2014, Ref. No.: 2014/47553/CNB/560 shall be repealed insofar as applicable to banks and credit unions.

VI. The CNB’s provision of a general nature regarding retail exposures secured by property of 16 October 2014, Ref. No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to banks and credit unions.

VII. The CNB's provision of a general nature regarding exemptions from limits of large exposures of 16 October 2014, Ref. No.: 2014/47553/CNB/560 shall be repealed insofar as applicable to banks and credit unions.

VIII. The CNB's provision of a general nature regarding the calculation of the net position of 16 October 2014, Ref. No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to banks and credit unions.

IX. The CNB's provision of a general nature regarding qualifying holdings outside the financial sector of 16 October 2014, Ref. No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to banks and credit unions.

Justification

1. Pursuant to Article 20d(1) of the Act on Banks and Article 9a(1) of the Act on Credit Unions, the Czech National Bank may issue a provision of a general nature based on, and within the limits of, the directly applicable legislative act of the European Union governing prudential requirements where this directly applicable legislative act allows a competent authority to grant an exemption or modify the application of the rules set for banks or a set of banks defined by type, or for credit unions or a set of credit unions defined by type. Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended (hereinafter referred to as the "Regulation") is the directly applicable legislative act of the European Union governing prudential requirements.

2. In line with its legal mandate, the Czech National Bank shall apply the power to modify the application of the set rules based on, and within the limits of, the Regulation.

3. Due to the amendments to the Regulation implemented through Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012, and also due to the issuance of the Commission implementing regulation governing the methods of prudential consolidation, the CNB's provision of a general nature regulating prudential consolidation shall be repealed.

4. The provisions of a general nature in the above paragraphs (II) through (IX) shall not be repealed without replacement but shall be replaced by new provisions of a general nature.

5. The draft of this provision of a general nature was displayed on 14 June 2021 and removed on 23 July 2021. No comments were made regarding the draft.

Effect

This provision of a general nature shall take effect on 23 July 2021.

imprint of official
stamp

Marek Mora
Deputy Governor

Signed electronically
Signed electronically

Vojtěch Belling
Executive Director, Financial
Regulation and International
Cooperation Department

Signed electronically