

A Public Notice

announcing a

PROVISION OF A GENERAL NATURE

repealing selected provisions of a general nature

of 22 July 2021

Pursuant to Article 199(5) of Act No. 256/2004 Coll., on Capital Market Undertakings, as amended by Act No. 204/2017 Coll., the Czech National Bank hereby issues this provision of a general nature:

I. The CNB's provision of a general nature regarding liquidity of 16 October 2014, Ref. No.: 2014/47553/CNB/560 shall be repealed.

II. 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 No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to investment firms.

III. The CNB's provision of a general nature regarding the materiality thresholds for exposures past due for investment firms of 9 July 2018, Ref. No.: 2018/083368/CNB/560 shall be repealed.

IV. 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 No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to investment firms.

V. 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 No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to investment firms.

VI. 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 No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to investment firms.

VII. 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 No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to investment firms.

VIII. 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 No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to investment firms.

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 No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to investment firms.

X. 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 No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to investment firms.

XI. 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 No.: 2014/47553/CNB/560, shall be repealed insofar as applicable to investment firms.

Justification

1. Pursuant to Article 199(5) of the Act on Capital Market Undertakings, 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 investment firms or a set of investment firms 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, the CNB's provision of a general nature regarding liquidity shall be repealed as the Regulation no longer includes the power to issue this provision of a general nature.

4. 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.

5. 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, the CNB's provision of a general nature regarding the materiality thresholds for exposures past due for investment firms shall be repealed as the Regulation no longer includes the power to issue this provision of a general nature.

6. The provisions of a general nature in the above paragraphs (IV) to (XI) shall not be repealed without replacement but shall be replaced by new provisions of a general nature.

7. 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 9 August 2021.

imprint of official stamp

Marek Mora
Deputy Governor

Signed electronically

Vojtěch Belling
Executive Director, Financial
Regulation and International
Cooperation Department

Signed electronically