

Content of question:

Into which business lines will the liable entity map the following activities: client payment services, safe deposit boxes letting, loan transactions with banks, leasing and factoring, collection of receivables for clients, issuance of debt securities, securitisation? How will the operational risk capital requirement be affected by the transfer of an activity between individual business lines?

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Approved by: **Pavel Vacek**

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Piece of law	Decree No. 123/2007 Coll. (as amended)
Provision	<ul style="list-style-type: none">• Articles 172 - 177• Annex 22, II and III
Explanation	<p>The liable entity will meet the requirements for mapping into business lines laid down by the Decree (Annex 22, II, c). The mapping of activities into business lines must be, inter alia, in accordance with the principles which the liable entity follows in calculating the credit risk and the market risk capital requirement.</p> <p>The liable entity will map client payment services into the retail banking business line if the criteria for retail exposures according to the Standardised Approach are met. In other instances the commercial banking business line will be used. (The payment and settlement business line is to be used only in the case of the services which payment services centres render to third parties. It is not used for common payment services.)</p> <p>Safe deposit boxes letting will be mapped into the agency services business line by the liable entity, uniformly for all clients.</p> <p>The liable entity will map credit transactions with banks into the commercial banking business line.</p> <p>The liable entity will map leasing and factoring into the retail banking business line if the criteria for retail exposures according to the Standardised Approach are met. In other instances the commercial banking business line will be used.</p> <p>The collection of receivables for clients is a rendered service not establishing an obligor-creditor relationship between the liable entity and the client and the liable entity will map this activity, due to its being an ancillary service, into the retail banking business line if the criteria for retail exposures according to the Standardised Approach are met. In other instances the commercial banking business line will be used.</p> <p>The issuance of debt securities and securitisation will be mapped into the corporate finance business line by the liable entity.</p>

	<p>In case a particular activity is transferred from a business line to a different business line during the three financial years entering into the calculation of the operational risk capital requirement, the calculation of the operational risk capital requirement will be affected for the first time in the year which follows after the change, and only by the figures regarding the financial year during which the change occurred. The figures for the previous two financial years (which have already entered into the calculation and are entering again) are not adjusted.</p>
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