

253/2013 Coll.

DECREE

of 29 July 2013,

stipulating the terms and conditions for creating minimum reserves

Pursuant to Article 26 of Act No. 6/1993 Coll., on the Czech National Bank, as amended by Act No. 227/2013 Coll., the Czech National Bank stipulates the following:

Article 1

Subject

This Decree stipulates

- a) the amount of the required minimum reserves,
- b) the day from which an obliged entity is required to maintain the required minimum reserves at the stipulated amount,
- c) the period for which the required minimum reserves are maintained,
- d) the set of liabilities on which the required minimum reserves are maintained and the sources of data on such liabilities,
- e) the procedure for determining the required minimum reserves if an obliged entity fails to submit to the Czech National Bank data from which the amount of the required minimum reserves is determined.

Article 2

Definitions

For the purposes of this Decree:

- a) “required minimum reserves” shall mean a prescribed part of funds which banks, foreign bank branches and credit unions are obliged to hold on accounts with the Czech National Bank,
- b) “obliged entity” shall mean banks, foreign bank branches and credit unions,
- c) “maintenance period” shall mean the period for which an obliged entity shall maintain the required minimum reserves,
- d) “reserve base” shall mean the set of liabilities on which the required minimum reserves are maintained.

Article 3

Amount of the required minimum reserves

(1) The required minimum reserves shall amount to

- a) for banks and foreign bank branches, 2% of the reserve base, except for repo liabilities, for which they shall amount to 0%,

b) for credit unions, 2% of the reserve base, except for repo liabilities, for which they shall amount to 0%,

(2) The calculated required minimum reserves shall be rounded to the nearest koruna.

(3) The average amount of required minimum reserves shall be calculated as the sum of the end-of-day balances on which the obliged entity holds required minimum reserves on the individual days of the maintenance period divided by the number of calendar days in the maintenance period.

(4) The minimum reserve requirement is met if the average amount of required minimum reserves for the maintenance period is not less than the required minimum reserves.

Article 4

Maintenance period

(1) The maintenance period shall start on the first Thursday of each month and end on the Wednesday before the first Thursday of the following month.

(2) In the event of the winding-up of the obliged entity, the last maintenance period in which the required minimum reserves are held shall be the maintenance period immediately preceding the maintenance period within which

- a) the banking licence terminates¹⁾ (for banks or foreign bank branches which do not operate in the Czech Republic under the single licence),
- b) the credit union licence terminates²⁾ (for credit unions),
- c) the branch ceases to carry on activities laid down in the act regulating the activities of banks³⁾ in the Czech Republic or the foreign bank lost its authorisation to carry on the business of a bank in the home state (for foreign bank branches which operate in the Czech Republic under the single licence⁴⁾).

(3) The required minimum reserves pursuant this Decree shall be held as from 3 October 2013.

Article 5

Reserve base

(1) The reserve base shall comprise liabilities with a maturity of up to and including two years, in the form of deposits and received loans, issued non-marketable securities and issued other debt securities, net of liabilities to other obliged entities.

(2) The liabilities under paragraph 1 shall mean both liabilities in Czech koruna and liabilities in foreign currency.

(3) Maturity referred to in paragraph 1 shall mean the original maturity of liabilities.

¹⁾ Article 7a of Act No. 21/1992 Coll., on Banks, as amended.

²⁾ Article 2a 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.

³⁾ Article 5a of Act No. 21/1992 Coll., on Banks, as amended.

⁴⁾ Article 5d of Act No. 21/1992 Coll., on Banks, as amended.

(4) The reserve base in respect of a particular maintenance period shall be determined from the statistical statements which obliged entities are required to submit to the Czech National Bank, compiled as of the end of the month one month prior to the month within which the maintenance period starts.

Article 6

Determining the required minimum reserves if an obliged entity fails to submit data to the Czech National Bank

Where an obliged entity fails to submit the relevant statistical statements needed to determine the reserve base, the Czech National Bank shall estimate the amount of required minimum reserves for the relevant maintenance period on the basis of previous statements and shall inform the obliged entity concerned of this amount in writing.

Article 7

Effect

This Decree shall take effect on 3 October 2013.

Governor

M. Singer