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Pursuant to the tenth paragraph of Article 121 of the Banking Act (Official Gazette of the Republic of Slovenia, No. 25/15; hereinafter: the ZBan-2) and the first paragraph of Article 31 of the Bank of Slovenia Act (Official Gazette of the Republic of Slovenia, Nos. 72/06 [official consolidated version] and 59/11), the Governing Board of the Bank of Slovenia hereby issues the following

REGULATION

on the documentation for the granting of an authorisation to establish a branch of a third-country bank

1. GENERAL PROVISIONS

**Article 1
(content of regulation)**

(1) This regulation sets out the detailed content of the documentation that a third-country bank is to enclose in its request for the granting of an authorisation to establish a branch in the Republic of Slovenia.

(2) Wherever this regulation makes reference to the provisions of other regulations, these provisions shall apply in their wording applicable at the time in question.

**Article 2
(definition of terms)**

The terms used in this regulation shall have the same meanings as in the ZBan-2 and 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 (OJ L 176 of 27 June 2013, p 1; hereinafter: Regulation (EU) No 575/2013), and in regulations issued on their basis.

2. DOCUMENTATION FOR GRANTING OF AUTHORISATION TO ESTABLISH BRANCH OF THIRD-COUNTRY BANK

**Article 3
(general provisions on documentation)**

In addition to the enclosures referred to in points 1 to 11 of the third paragraph of Article 121 of the ZBan-2, the following documentation based on which it is possible to determine whether the branch has the personnel, technical and organisational capacities to provide the services to which the request relates shall be enclosed in a request for the granting of an authorisation to establish a branch of a third-country bank (hereinafter: branch):

- (a) documentation on the internal governance arrangements,
- (b) documentation on the fulfilment of other conditions.

2.1 Documentation on internal governance arrangements

Article 4 (documentation on internal governance arrangements)

The documentation for determining the stability of the planned internal governance arrangements referred to in Article 128 of the ZBan-2 shall encompass the documentation set out in Articles 5 to 8 of this regulation on:

- (a) the organisational structure,
- (b) risk management processes,
- (c) internal control mechanisms,
- (d) remuneration policy and practices.

Article 5 (documentation on organisational structure)

The documentation for assessing the organisational structure of a branch shall encompass:

- (a) an organigram from which it is evident that the fundamental principles of organisation have been taken into account, including a description of the segregation of powers and responsibilities and of reporting flows between the various hierarchical and organisational levels,
- (b) rules, instructions and other acts that define the implementation of all work procedures within the framework of the provision of services,
- (c) documentation from which the decision-making system and the responsibility of the individuals making decisions in individual work processes within the framework of the provision of services are evident,
- (d) documentation from which the responsibilities of the senior management referred to in point 30 of the first paragraph of Article 7 of the ZBan-2 and the manner of ensuring the effective supervision of the senior management by the management board are evident,
- (e) documentation from which the policy for the prevention of conflicts of interest is evident,
- (f) documentation:
 - from which the number of employees that will provide services, the qualifications breakdown and their level of professional competence are all evident,
 - that demonstrates the professional competence of key function holders,
- (g) documentation from which the policy for the achievement of high professional standards and business ethics is evident.

Article 6 (documentation on risk management processes)

The documentation for assessing the effectiveness of the bank's risk management processes shall encompass:

- (a) the concise risk statement of the management body referred to in point (f) of the first paragraph of Article 435 of Regulation (EU) No 575/2013,
- (b) the strategies and policies for taking up and managing risks referred to in Articles 5 and 6 of the Regulation on internal governance arrangements, the management body and the internal capital adequacy assessment process for banks and savings banks (Official Gazette of the Republic of Slovenia, No. 73/15; hereinafter: the governance regulation),
- (c) a description of the risk management processes referred to in Articles 20, 21, 23 and 24 of the governance regulation,
- (d) a description of the internal reporting on risks referred to in Article 25 of the governance regulation,

- (e) the policy for the approval of new products referred to in Article 28 of the governance regulation,
- (f) the policy for the use of external parties referred to in Article 29 of the governance regulation.

Article 7
(documentation on internal control mechanisms)

The documentation for assessing the effectiveness of the bank's internal control mechanisms shall encompass:

- (a) documentation from which the organisation of the internal control mechanisms with a description of the rules for and controls of the implementation of the bank's organisational procedures, business procedures and work procedures (hereinafter: internal controls) is evident,
- (b) documentation from which the organisation and level of functioning of the following are evident:
 - the internal audit department in all work processes within the framework of the provision of banking services, including the internal audit department's strategy and a description of internal auditing and the scope of activities over the first two years of operation in respect of individual work processes within the framework of the provision of banking services,
 - the risk management function and the compliance function, including an act that sets out the purpose, importance and tasks of the particular function, the hierarchical position of the head of the particular function, and the annual plan of the particular function.

Article 8
(documentation on remuneration policy and practices)

The documentation for assessing the adequacy of the bank's remuneration policy shall encompass a remuneration policy referred to in the first paragraph of Article 169 of the ZBan-2 that takes account of the fundamental principles for defining a remuneration policy and practices.

2.2 Documentation on fulfilment of other conditions

Article 9
(documentation on fulfilment of other conditions)

The documentation for assessing the fulfilment of other conditions for the granting of an authorisation to establish a branch of third-country bank shall encompass:

- (a) a financial plan, including a projection of the provision of the financial assets or collateral referred to in the fourth paragraph of Article 121 of the ZBan-2,
- (b) documentation with regard to the level of technical equipment in the premises that allows for the safe, unimpeded implementation of business processes within the framework of the provision of services, and provides for the relevant segregation of individual functions of operation, and the possibility of their interconnection,
- (c) a strategy for the development of information systems, and an information systems security policy that takes account of the recommendations of the relevant standards issued by the Slovenian Institute for Standardisation or another competent authority,
- (d) documentation with regard to capacities for timely, accurate and standardised reporting to the Bank of Slovenia and other supervisory institutions.

Article 10
(description of deposit guarantee scheme)

A bank of a third country shall enclose a detailed description of the deposit guarantee scheme valid in the bank's home country in the request for the granting of an authorisation to establish a branch. The description shall contain a precise and comprehensive overview of the rights and obligations of

investors and banks, and a description of the formal procedure for exercising these rights and obligations.

3. IDENTIFICATION OF BRANCH BY LABEL

Article 11 (label)

(1) Together with the decision on the granting of an authorisation to establish a branch, the Bank of Slovenia shall deliver to the third-country bank one label with the inscription “Banka Slovenije, Dovoljenje za opravljanje bančnih storitev” (Bank of Slovenia, authorisation to provide banking services) for each retail unit of the branch on the basis of a submitted list. The branch shall request that the Bank of Slovenia issue a new label whenever a new retail unit is opened.

(2) Should the label be destroyed during replacement, the branch shall appoint a commission to compile an official record thereof. The branch shall send the official record to the Bank of Slovenia, or shall return the destroyed label.

(3) The content and form of the label referred to in the first paragraph of this article shall be set out by the Bank of Slovenia via a regulation.

4. TRANSITIONAL AND FINAL PROVISION

Article 12 (cessation of application of regulation)

On the day that this regulation enters into force, the Regulation on the documentation for the granting of an authorisation to establish a branch of a third-country bank (Official Gazette of the Republic of Slovenia, No. 28/07) shall cease to be applied.

Article 13 (entry into force)

This regulation shall enter into force on the day after its publication in the Official Gazette of the Republic of Slovenia.

Ljubljana, 24 September 2015

Boštjan Jazbec
President,
Governing Board of the Bank
of Slovenia