

Deposit Protection in Ireland	Deposit Protection in Slovakia
<p>1.1 General information about protection scheme</p> <p>The European Communities (Deposit Guarantee Schemes) Regulations, 1995¹, which came into effect on 1 July 1995 set out the terms and conditions governing deposit protection in Ireland. The Irish deposit protection scheme is funded by credit institutions, which are authorised by the Financial Regulator. The system is administered by the Financial Regulator. Deposits with credit institutions authorised in another European Economic Area (EEA)² country and operating in Ireland on a branch basis are covered under that country's system.</p>	<p>1.1 General information about protection scheme</p> <p>Deposit protection scheme pursuant to the Act No. 118/1996 Coll. on the protection of bank deposits and amending certain other laws, as amended (hereinafter as the “<i>Deposit protection act</i>”).</p>
<p>1.2 Eligible Depositors</p> <p>In addition to “large companies” (as specified below), deposits made by an “<i>excluded depositor</i>” are not eligible for cover under the Regulations. The term “<i>excluded depositor</i>” is defined as follows:</p> <p>“a person maintaining deposits (including deposits, if any, on current accounts) with a credit institution authorised or formerly authorised by the Bank which has been the subject of a determination by the Bank or a ruling by the Court in accordance with Regulation 9 and, in relation to that credit institution is:</p> <ol style="list-style-type: none"> a) a chief officer, secretary or member of any board or other committee of management, by whatever name called, b) a relevant beneficial owner of that credit institution, c) together with connected persons, a relevant beneficial owner of that credit institution, d) subject to Regulation 17, a connected person to a person specified in paragraph (a), (b) or (c), e) subject to Regulation 17, a trustee of a trust for the benefit of a person specified in paragraph (a), (b), (c) or (d), f) (i) where the credit institution is a building society, a subsidiary of the society or a body corporate (not being a subsidiary of the society) in respect of which the society is the relevant beneficial owner; (ii) in circumstances other than those specified in 	<p>1.2 Eligible Depositors</p> <p>Pursuant to the Deposit protection act and under conditions stipulated in such act, the deposits belonging to the following persons are protected:</p> <ol style="list-style-type: none"> (a) a natural person, (b) a foundation, non-investment fund, non-profit organization providing community services, civic association, or an association of residential and non-residential property owners, (c) a legal entity, not listed in letter b), <u>with the exception of the following entities:</u> <ol style="list-style-type: none"> 1. a bank, securities dealer who is not a bank, performing institution, mediating institution, issuer of electronic means of payments, operator of a payment system and other payment system participant, central depository of book-entry securities and other participant in an investment instrument payment and settlement system, stock exchange, commodities exchange, trustee company including property in an investment unit fund, pension assets management company including assets in the pension fund, an insurance company, reinsurance company, supplementary retirement insurance company, supplementary retirement insurance company including assets in the supplementary pension fund, post company, a legal entity running a lottery or other similar games, or the

¹ These Regulations implemented the European Union Council Directive on Deposit Guarantee Schemes (94/19/EC) and were amended by the Central Bank Act, 1997, the European Communities (Deposit Guarantee Schemes) Regulations, 1999, the European Communities (Deposit Guarantee Schemes) Regulations, 2002 and the European Communities (Deposit Guarantee Schemes) Regulations, 2003.

² All European Union Member States and Iceland, Liechtenstein and Norway.

<p>subparagraph (i), a holding company, a subsidiary company, another subsidiary of the same holding company or a company (not being a subsidiary company) in respect of which the credit institution is a relevant beneficial owner.</p> <p>For the purposes of the above, a “relevant beneficial owner” in relation to a body corporate, means: a person who is beneficially entitled (either directly or indirectly) to ten per cent or more in nominal value of either the allotted share capital or the shares carrying voting rights (other than voting rights which arise only in specified circumstances) in the body corporate, except where such shares are to be considered as deposits for the purposes of these Regulations.</p> <p>The term “<i>connected person</i>” in respect of the above means the following:</p> <p>“in relation to another person, means a person maintaining deposits (including deposits, if any, on current accounts) with a credit institution authorised or formerly authorised by the Bank which has been the subject of a determination by the Bank or a ruling by the court in accordance with Regulation 9 and where the person is:</p> <ol style="list-style-type: none"> the spouse of that other person, the child or grandchild of that other person or the child or grandchild of the spouse of that other person, the parent or grandparent of that other person, the brother, sister, stepbrother or stepsister of that other person, a partner of that other person to whom, together, the Partnership Act, 1890, applies (whether or not with any other persons), the spouse of a connected person to whom paragraph (b), (d) or (e) applies in relation to the appropriate other person to whom the relevant paragraph relates. 	<p>Export-Import Bank of the Slovak Republic,</p> <ol style="list-style-type: none"> a Slovak legal entity not listed in item 1 above or foreign legal entity involved in business identical or partly identical with that of legal entities mentioned in item 1, a commercial company or cooperative, which is not mentioned in items 1 and 2 and which: <ol style="list-style-type: none"> is, according to special legislation, obligated to have financial statements approved by an auditor, and failed to deliver to a bank or a branch office of a foreign bank in which accounts it holds deposits, within 15 days after the end of the respective accounting period an unambiguous written notification whether it is obligated to have its financial statements approved by an auditor or not, the State, a State fund, municipality, regional district, or a body financed partially or fully by them including public authorities, a legal entity established by an act of parliament not listed in items 1 to 4. a legal entity that controls the bank or the foreign bank or is controlled by the bank or foreign bank in the accounts of which it holds deposits. <p>Notwithstanding anything else, following depositors are excluded from the protection:</p> <ul style="list-style-type: none"> - depositors with a special relationship to the branch of foreign bank as stated in special regulations at any time in the year prior to the day the deposits became inaccessible are not entitled to compensation; this also applies to forfeited deposits. - Compensation may not be claimed by depositors who: <ol style="list-style-type: none"> in part or entirely caused the bank’s incapability to repay deposits due to criminal activities for which they have been duly convicted in a court of law, made deposits of illicit proceeds from criminal activities, which have been declared as such in a court of law. <p>The term “<i>special relationship to the branch of foreign bank</i>” in respect of the above means the following:</p> <ol style="list-style-type: none"> the chief executive officer of the branch office of a foreign bank, members of the statutory body or the supervisory
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	<p>board of the foreign bank,</p> <p>c) persons having control over the foreign bank, and members of statutory bodies of legal persons having control over the foreign bank,</p> <p>d) persons related³⁰ to persons specified in a) and b) or natural persons having control over the foreign bank,</p> <p>e) legal persons in which some of the persons specified in letters a), b), c) or d) hold a qualified interest,</p> <p>f) shareholders holding a qualified interest in the foreign bank or any legal person under their control or which has control over them,</p> <p>g) legal persons under the control of the foreign bank,</p> <p>h) members of the Bank Board of the National Bank of Slovakia,</p> <p>i) an auditor or a natural person, who on behalf of an audit firm, performs audit in the branch office of a foreign bank,</p> <p>j) the chief executive of another branch office of a foreign bank, member of the statutory body of a bank,</p> <p>its mortgage controller and a deputy of its mortgage controller.</p> <p>The term “<i>related person</i>” in respect of the above means the following:</p> <p>“a related person is a relative in the direct line (parents, children), a sibling and a spouse; other persons within a family or similar relationship can be considered to be a related person of a loss sustained by one of them would reasonably be felt by the other to be his/her own”</p>
<p>1.3. Eligible Deposits</p> <p>Deposits eligible for cover under the deposit protection scheme are deposits denominated in any currency held at EEA branches of credit institutions authorised in Ireland.</p> <p>Deposits not eligible for cover include:</p> <ul style="list-style-type: none"> • interbank deposits, including a deposit by the Central Bank, the Post Office Savings Bank, a trustee savings bank, a building society, an industrial and provident society or the central bank of another member state of the European Communities (that is a member of the European Central Bank) with the institution; • negotiable certificates of deposit; • items which make up the own funds or capital of the institution; • deposits in respect of which (a) there is reason to suspect that a money laundering offence has 	<p>1.3. Eligible Deposits</p> <p>Pursuant to the Deposit protection act these are the Deposits covered by the act:</p> <p>A. liability of a bank or a branch office of a foreign bank towards a natural person or a legal entity (in this section 1.3. only as “<i>depositor</i>”), to repay funds deposited with the bank or a branch office of a foreign bank by the depositor in a banking transaction carried out in his own name and for his own account or which the bank or a branch office of a foreign bank accepted as a payment) in favour of the depositor, including interest and other benefits related to the custody of the funds, including deposits described in paragraph B,</p> <p>B. a deposit, which, according to records made by a bank or branch office of a foreign bank in its information system or in the depositor’s proof of deposits before the day when the deposits became inaccessible is held</p>

<p>been committed or (b) there has been a conviction for a money laundering offence;</p> <ul style="list-style-type: none"> • deposits by a company connected to the credit institution; • deposits by a person who, on an individual basis, obtained rates and financial concessions that helped aggravate its financial situation; • deposits by the directors, secretary, chief executive or their close families; • deposits by a person who is entitled (either directly or indirectly) to 10% or more in nominal value of either the allotted share capital or the shares carrying voting rights, or their close family • deposits by a trustee of a trust for the benefit of the person in the previous two bullet points • deposits by financial institutions (as defined in Regulation 2 of the European Communities (Licensing and Supervision of Credit Institutions) Regulations 1992 (S.I. No. 395 of 1992)); • deposits by insurance companies; • deposits by the Governments or municipal, local, regional or provincial authorities of any State; • deposits by a public international organisation of which one or more member states of the European Communities are members; • deposits by collective investment schemes; • a manager, trustee or custodian of a unit trust or a collective investment undertaking or an entity that provides services to such an undertaking; • deposits by pension and retirement funds (except for small self-administered pensions); • debt securities issued by the credit institution or a liability arising out of own acceptances and promissory notes; and • deposits by companies that do not qualify to be treated as a small company under section 8(1)(a) of the Companies Amendment Act 1986, i.e. the company satisfies at least two of the following three conditions in respect of the last and previous financial year: <ul style="list-style-type: none"> (a) Its balance sheet total for that year does not exceed €1,904,607, (b) The amount of its turnover for that year does not exceed €3,809,214, and (c) The average number of persons employed by the company in that year does not exceed 50 	<p>in the name of a number of depositors with minimum identification data for each of them as specified hereinbelow (hereinafter referred to as "joint deposit")</p> <p>C. funds kept in a notarial custody deposited with a bank or branch office of a foreign bank provided that the beneficiary of the funds is, or should be a depositor, and the notary administering the funds has delivered written notification containing data about such depositors, including minimum identification data for each of the depositors as specified hereinbelow, delivered to the relevant bank or a branch office of a foreign bank before the day when they became inaccessible.</p> <p>Following Deposits are not covered by the Deposit protection act:</p> <ul style="list-style-type: none"> (a) deposit, which, according to records made by a bank or branch office of a foreign bank in its information system or in the depositor's proof of deposits before the day when the deposits became inaccessible is held in the name of a number of depositors as identified with the following minimum data: <ol style="list-style-type: none"> 1. name, surname, personal ID or date of birth and depositor's permanent residential address, if the depositor is a natural person, 2. name, personal ID, if issued, and address if the depositor is a legal entity, whose deposits are protected under the Deposit protection act, as well as the name of the official registry or other official file in which is the legal person registered, and the entry number in this registry or official file, (b) bearer deposit or the balance of a cancelled bearer deposit account, primarily in the form of bearer passbook deposit or bearer certificate of deposit or bearer treasury bill certificate, (c) investment trust certificate, deposit in the form of a security listed on the stock exchange, investment instrument, other security or derivative instrument accepted by a securities dealer or foreign securities dealer for carrying out an investment service and client's assets protected by the Investment Guarantee Fund pursuant to a separate law, (d) a deposit in the form of bond, bill of exchange or a cheque, (e) a joint deposit, if the conditions stipulated in paragraph B are not met, (f) deposit, in the form of notarial custody, if the conditions stipulated in paragraph C are not met, (g) deposit used as a source contributing to the equity capital of the bank.
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<p>1.4. Inaccessible Deposit</p> <p>The Irish Regulations refer to ‘unavailable deposit’ rather than ‘inaccessible deposit’. This is defined as a deposit that is due and payable but has not been paid by a credit institution under the legal and contractual conditions thereto, where either</p> <p>(a) the relevant competent authorities (Financial Regulator) have determined that in their view the credit institution concerned appears to be unable for the time being, for reasons which are directly related to its financial circumstances, to repay the deposit and to have no current prospect of being able to do so; or</p> <p>(b) a judicial authority has made a ruling for reasons which are directly related to the credit institution's financial circumstances which has the effect of suspending depositors' ability to make claims against it, should that occur before the aforementioned determination has been made.</p> <p>(2) For the purposes of these Regulations, the appointment of a liquidator by the Court shall be considered a judicial ruling in accordance with paragraph (1) (b).</p>	<p>1.4. Inaccessible Deposit</p> <p>A Deposit is considered inaccessible, when:</p> <p>a) deposited in an account at a bank or a branch office of a foreign bank, which has been declared by the National Bank of Slovakia unable to refund Deposits,</p> <p>b) deposited in a bank or a branch office of a foreign bank where, on the basis of an order issued by a bankruptcy court in a bankruptcy proceeding, in accordance with a separate law, manipulation of deposits has been suspended, and where the order came into effect before the announcement made by the National Bank of Slovakia in accordance with section (a) above.</p>
<p>1.5. Compensation for Inaccessible Deposits</p> <p>Effective, 20 September 2008, the Irish Government increased the statutory limit for this scheme, from EUR20,000 to EUR100,000 per depositor per institution to which the scheme applies. The cover will apply to 100% of each deposit (individual and small companies), up to the maximum of EUR100,000. The regulations effecting this change have not yet been passed into Irish law. Therefore, it is possible that further changes may be made to the terms of the scheme.</p>	<p>1.5. Compensation for Inaccessible Deposits</p> <p><u>Compensation by 14 November 2008 (including):</u></p> <p>An inaccessible Deposit will be compensated:</p> <p>a) at a rate of 90% of the inaccessible deposit,</p> <p>b) in one amount to the depositor or other person authorized according to the Deposit protection act, as stipulated in letter a) not exceeding an equivalent of 20,000 EURO in Slovak koruna, applying the exchange rate set by the National Bank of Slovakia on the day when the Deposits were announced by the National Bank of Slovakia inaccessible.</p>

	<p><u>Compensation from 15 November 2008:</u></p> <p>All inaccessible Deposit will be compensated.</p>
<p>1.6 Compensation Payment Place</p> <p>Under the Regulations, the compensation payment process is initiated by:</p> <ul style="list-style-type: none"> (i) the Central Bank & Financial Services Authority of Ireland determining that a credit institution is unable to repay deposits due to its financial condition; (ii) a court making a ruling, for reasons directly related to a credit institution's financial circumstances, that suspends depositors' ability to make claims against that institution. 	<p>1.6 Compensation Payment Place</p> <p>The Compensation shall be performed by the Deposit Protection Fund with its seat at Kapitulská 12, Bratislava, Slovak Republic. In general, the Deposit Protection Fund shall arrange for compensation of inaccessible deposits to be made through a bank.</p>
<p>1.7 Period for the Payment Compensation Claims</p> <p>The Central Bank & Financial Services Authority of Ireland (or liquidator, where one has been appointed) is expected to pay compensation to depositors within three months of a determination by the Central Bank & Financial Services Authority of Ireland that deposits are unavailable, or of a ruling by the court (subject to the terms and conditions set out in the Regulations).</p>	<p>1.7 Period for the Payment Compensation Claims</p> <p>Compensation must be completed within three months at the latest, of the announcement of the deposit inaccessibility or receipt of a court order or ruling within the bankruptcy proceeding. In exceptional and justified cases, the Deposit Protection Fund may extend this period, with prior consent of the National Bank of Slovakia, by a further three months, and the extension may be renewed; however, the compensation payments must be completed within one year from the day the deposits became inaccessible by the bank.</p>