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Pursuant to the third paragraph of Article 13 of the Banking Act (Official Gazette of the Republic of Slovenia, Nos. 25/15, 44/16 [ZRPPB] and 77/16 [ZCKR]; 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 application of the Guidelines on corrections to modified duration for debt instruments under the second subparagraph of Article 340(3) of Regulation (EU) 575/2013

Article 1

(purpose and field of application)

(1) Pursuant to the first paragraph of Article 16 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331 of 15 December 2010, p 12; hereinafter: Regulation (EU) No 1093/2010), on 4 January 2017 the European Banking Authority issued the Guidelines on corrections to modified duration for debt instruments under the second subparagraph of Article 340(3) of Regulation (EU) 575/2013 (hereinafter: the guidelines), which are published on its website.

(2) The guidelines referred to in the first paragraph of this article specify how to apply corrections to the calculation of the modified duration for debt financial instruments that are subject to prepayment risk for the purposes of own funds requirements for general interest rate risk under the standardised approach in accordance with Article 340 of 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).

(3) The guidelines shall apply to:

1. financial institutions as defined in Article 4(1) of Regulation (EU) No 1093/2010; and
2. competent authorities as defined in point (i) of Article 4(2) of Regulation (EU) No 1093/2010.

Article 2

(content of regulation and scope of application of guidelines)

(1) By virtue of this regulation the Bank of Slovenia sets out the application of the guidelines to:

1. banks and savings banks that in accordance with the ZBan-2 have obtained an authorisation to provide banking services in the Republic of Slovenia (hereinafter: banks); and
2. the Bank of Slovenia, when in accordance with the ZBan-2 in its role as the competent authority it is exercising supervisory powers and tasks over banks referred to in point 1 of this paragraph.

(2) Banks that calculate own funds requirements for debt financial instruments in accordance with Article 340 of Regulation (EU) No 575/2013 shall take full account of the provisions of the guidelines in the parts addressed to banks.

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(3) In exercising its supervisory powers and tasks in accordance with the ZBan-2 and Regulation (EU) No 575/2013, the Bank of Slovenia shall take full account of the provisions of the guidelines in the parts relating to the exercise of the powers and tasks of the competent authority.

**Article 3
(entry into force)**

This regulation shall enter into force on the day after its publication in the Official Gazette of the Republic of Slovenia, and shall begin to be applied on 1 March 2017.

Ljubljana, 24 January 2017

Boštjan Jazbec
President,
Governing Board of the Bank
of Slovenia