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The unofficial consolidated version of the Slovenian Export and Development Bank Act comprises:

- Slovenian Export and Development Bank Act – ZSIRB (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 56/08 of 6 June 2008),
- Act Amending the Slovenian Export and Development Bank Act – ZSIRB-A (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 20/09 of 16 March 2009),
- Banking Act – ZBan-2 (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 25/15 of 13 April 2015).
- Slovene Export and Development Bank Act (Official Gazette of the Republic of Slovenia, No. 56/08, 20/09, 25/15 - ZBan-2, 61/20 – ZDLGPE; hereinafter ZSIRB)

## **SLOVENIAN EXPORT AND DEVELOPMENT BANK ACT (ZSIRB)**

### **(Unofficial consolidated version No. 2)**

#### **I. GENERAL PROVISIONS**

##### **Article 1 (Subject of the Act)**

This Act regulates the role, position, powers, operations, ownership and organisation of a specialised bank with powers for the implementation of promotional and development tasks and services in the fields of international trade, economic and development cooperation, business, innovation, research and education activities, ecology and the energy industry, in building infrastructure and in other fields important for development of the Republic of Slovenia.

##### **Article 2 (Powers under this Act)**

SID-Slovenian Export and Development Bank, plc Ljubljana (hereinafter: SID Bank) is an authorised specialised Slovenian promotional export and development bank for performing operations pursuant to this Act.

##### **Article 3 (Powers pursuant to the Act Governing Insurance and Financing of International Commercial Transactions)**

By this Act the Republic of Slovenia shall authorise SID Bank to perform all transactions pursuant to the Act Governing Insurance and Financing of International Commercial Transactions (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 2/04; hereinafter: ZZFMGP).

#### **Article 4 (Sole shareholder and capital)**

(1) The Republic of Slovenia shall be the sole shareholder of SID Bank in order to ensure the performance of tasks and implementation of objectives pursuant to this Act.

(2) The lowest amount of the SID Bank initial capital is EUR 300,000,000.00.

(3) Distributable profit of SID Bank shall not be distributed to shareholders and it shall be allocated to other profit reserves.

#### **Article 5 (Basic principles of SID Bank operations)**

(1) In accordance with the tasks of SID Bank, the implementation of transactions and all activities of SID Bank shall be in compliance with the legislation of the Republic of Slovenia and the *acquis* of the European Union (hereinafter: EU), and mainly through:

- principles of balanced and sustainable development,
- long-term development guidelines of the Republic of Slovenia and of the EU,
- economic eligibility of individual projects and investments or assets,
- the direct or indirect financial value of bank services for users of these services and
- principles of non-competitiveness, non-discrimination and transparency of business.

#### **Article 6 (Balanced and sustainable development)**

The principles of balanced and sustainable development, which refer to economic, environmental and social development and which, in meeting the needs of the present generation enable equal possibilities of meeting the needs of future ones, take into consideration in particular the comprehensive, long-term and ethical aspect in the implementation of promotional tasks of a financial nature and demand their application in all financial transactions, services and activities performed in accordance with this Act.

#### **Article 7 (Long-term development guidelines of the Republic of Slovenia and of the EU)**

(1) SID Bank operations shall be based on long-term development documents of the EU and of the Republic of Slovenia. The development documents which shall receive special consideration in this context are those instruments (strategies, resolutions, programmes and other documents) that are adopted or in force in an individual legislative term or budget period.

(2) For performing transactions and all activities of SID Bank with the purpose of meeting the long-term development guidelines of the Republic of Slovenia and of the EU, the Republic of Slovenia shall provide for the long-term stable operations of SID Bank

and keep the share in the capital so that the ownership structure matches the purpose and tasks of the public authorisation of SID Bank.

**Article 8**  
**(Economic eligibility of individual projects and investments or assets)**

All transactions, projects, investments, assets or other forms and methods of financial operations of SID Bank shall be subject to an assessment of economic, environmental and social quality on the basis of good international practice and criteria, and they shall be based on the preliminary evaluation of economic and financial eligibility and effects on the development of the Republic of Slovenia.

**Article 9**  
**(Financial value of bank services for users of these services)**

SID Bank shall perform all services with the purpose of creating direct or indirect added value for users of these services in accordance with the purpose and objectives of individual transactions, projects, investments or other forms, and primarily retaining or increasing capital without pursuing the objective of achieving maximum profit.

**Article 10**  
**(Non-competitiveness, non-discrimination and transparency)**

In performing its operations pursuant to this Act, SID Bank shall take into consideration the substance and tasks of the assigned powers referred to in Article two of this Act, so in performing its operations as a rule it shall not compete with other financial institutions on the market. To achieve the objective of not competing with financial institutions on the market, SID Bank shall also apply the principle of equal access or non-discrimination for all users of financial services of SID Bank and transparency of offered services, operations and business results. In the application of the principles referred to in this Article SID Bank shall also follow the best practice of application of these principles in comparable institutions in the EU.

**II. ACTIVITIES**

**Article 11**  
**(Area of bank activities)**

(1) In the implementation of powers referred to in Article 2 of this Act, SID Bank shall support economic, structural, social and other policies, by performing mainly financial services in segments where market gaps, including cyclical gaps, emerge or they are established, mainly in the following fields:

- a) international commercial transactions and international economic cooperation, mainly for the purpose of promoting long-term business transactions, which enable entry and operations on foreign markets for participants, including support for controlled import transactions, preparation for international commercial transactions, investments and incentives for sustainable growth of exports and internationalisation of the economy and activities with the purpose of promotion and performing of transactions according to concession conditions and promoting joint appearance on third markets with domestic, foreign or international entities;

- b) economy, with special emphasis on small and medium-sized enterprises, entrepreneurship and venture capital, mainly for the purpose of financing entrepreneurial projects in all stages of development, introducing new financial and insurance schemes, creating possibilities for establishing new companies and participation in tasks and programmes of the providers of an entrepreneurial, innovative and financial environment;
- c) research and development and innovation, especially for the purpose of promoting competitiveness and development within research and development programmes, promotion of innovation, promotion of research and development activities and transfer of knowledge, and the provision of a variety of support to developers for the development of products, production processes and services;
- d) education, especially for the purpose of promotion and improving the level of education, knowledge and knowledge management, and incentives for necessary retraining and obtaining of specific knowledge;
- e) employment for a purpose not restricted to the provision of incentives to companies for employment of persons with specialised qualifications and knowledge required for their growth or retraining of individuals;
- f) protection of the environment and energy efficiency, especially for the purpose of financing and promotion of measures for the protection of nature, appropriate waste management, appropriate use of natural assets, promotion of investments for the infrastructure of environmental protection, use of renewable energy sources and energy efficiency;
- g) regional development, especially for the purpose of providing balanced development at the state, regional and local levels, reducing differences in economic development and other activities, where it may be connected with other persons that are active and oriented towards achieving public goals in the field of regional and rural development and where various combined instruments of financial engineering are used;
- h) housing, especially for the purpose of providing appropriate housing care and promotion of residential construction, renewal and maintenance of apartments and houses for certain categories of citizens, together with ensuring the environment and conditions that enable appropriate living conditions;
- i) economic and public infrastructure, municipal and regional development, mainly for the purpose of improving logistic, community and other infrastructure and in addition also providing guarantee, financial and public-private partnership schemes for building this infrastructure, for example for renovation and development and urban renewal and similar;
- j) in addition to performing technical and operating work SID Bank shall participate in the financing of development projects conducted in developing countries.

(2) In the implementation of tasks referred to in the preceding paragraph, SID Bank shall take into consideration the practice, guidelines and objectives of the promotional policy and development strategy of the Republic of Slovenia and of the EU.

(3) SID Bank may perform activities pursuant to this Act in connection with the resources of EU funds and other European budgetary resources and in connection with various combined instruments of financial engineering.

(4) In relation to the significance of its operations, in performing its activities as the authorised institution pursuant to this Act, SID Bank shall have the right of free access, insight and direct daily electronic acquisition of data necessary for implementation of this Article and transactions on behalf and for the account of the Republic of Slovenia pursuant to the ZZFMGP:

- individual financial data and financial data compilation, which legal persons and sole traders shall send to the competent organisations,
- data from the business register and other registers managed by the Agency of the Republic of Slovenia for Public Legal Records and Related Services, the Statistical Office of the Republic of Slovenia or courts,
- statistical and other data of ministries and other state authorities and the Bank of Slovenia which are necessary for the operation of SID Bank and in connection with which SID Bank shows a well-founded interest.

(5) The detailed range of data referred to in the preceding paragraph shall be defined in a regulation of the Government of the Republic of Slovenia on the proposal of the ministry responsible for finance.

## **Article 12 (Services and instruments for performing activities)**

(1) For performing activities referred to in the preceding Article SID Bank shall perform all services which may be performed on the basis of the Act regulating banking. In addition to services on the basis of the Act regulating banking, SID Bank may also perform other services (consultancy, training and other) if they are intended to support the services which SID Bank provides for performing activities referred to in the preceding Article.

(2) On the basis of contracts concluded with individual ministries and other state authorities or other persons, SID Bank may channel various development funds and perform various programmes of measures of the Republic of Slovenia and other programmes or projects in compliance with EU rules, where it may also cooperate in various forms with several European financial institutions. In performing services SID Bank shall apply all financial instruments available in the financial legislation, such as loans, warranties and other forms of guarantees, factoring, financial leasing, concession credits and other instruments of international development cooperation, other forms of financing, grant allocation, subsidies, equity-type financing and other forms of risk assumption.

(3) For performing services in fields referred to in Article 11 of this Act and for applying instruments referred to in the preceding paragraph of this Article, SID Bank shall raise loans and issue debt securities, and shall also borrow in other forms.

### III. RESPONSIBILITY OF THE REPUBLIC OF SLOVENIA

## **Article 13 (Responsibility of the Republic of Slovenia)**

(1) Notwithstanding the provisions of the Act regulating companies regarding the responsibility of shareholders for the liabilities of a public limited company, the Republic of Slovenia as the sole shareholder shall be unconditionally and irrevocably responsible for the obligations of SID Bank resulting from transactions concluded in performing activities referred to in Articles 11 and 12 of this Act.

(2) If SID Bank fails to comply with its mature liability towards a creditor upon that person's written request, the Republic of Slovenia shall fulfil that liability immediately upon the creditor's request.

## IV. OPERATIONS AND PERFORMING OF TRANSACTIONS

### **Article 14 (Operations)**

(1) SID Bank shall perform transactions pursuant to this Act, the Act regulating banking, Act regulating operations of companies and other general regulations.

(2) The Act regulating banking shall apply in its entirety to the operations of SID Bank, except in the parts stated in paragraph three of this Article. Supervision over implementation of the Act regulating banking in the operation of SID Bank on the basis of this Act and other Acts shall be conducted by the Bank of Slovenia.

(3) In the operations of SID Bank the following exceptions from application of the Act regulating banking shall be in force:

- in estimating large exposure the respective state of sources of SID Bank funds, for which in accordance with Article 13 of this Act the Republic of Slovenia shall be liable, shall be applied to the base for establishing exposure instead of bank capital,
- in the case of SID Bank the capital requirement shall be a half of the capital requirement valid for banks,
- SID Bank shall not need a licence for establishing branch offices in the Republic of Slovenia, an EU Member State or a third country,
- obligations in connection with the preparation of a recovery plan and provisions on guaranteed deposits shall not apply for SID Bank.

(4) The ministry responsible for finance shall be responsible for implementation of the procedure related to the exclusion of SID Bank from relevant EU Directives.

### **Article 15 (Performing of transactions)**

(1) SID Bank shall perform transactions directly or indirectly via other banks, financial or other institutions or together with them (consortium) in compliance with the principle of non-discrimination and non-competitiveness.

(2) In performing transactions SID Bank shall comply with good international bank practice and the rules on risk management.

## V. SUPERVISION OVER SID BANK OPERATIONS AND REPORTING

### **Article 16 (Supervision)**

Supervision over SID Bank operations shall be performed within their respective competence by the Bank of Slovenia, the Insurance Supervision Agency and the ministry responsible for finance.

### **Article 17 (Reporting)**

(1) Once a year until 31 May at the latest SID Bank shall report to the Government of the Republic of Slovenia on exercising of the powers provided pursuant to this Act in the preceding year.

(2) Once a year the Government of the Republic of Slovenia shall report to the National Assembly on implementation of SID Bank activities pursuant to this Act.

## VI. SID BANK BODIES

### **Article 18 (Bodies)**

(1) Members of the SID Bank management board shall fulfil the conditions set out in the Act regulating banking.

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(2) Members of the SID Bank management board shall be appointed by the supervisory board from among candidates who apply for the position of management board members via a public call for applications.

(3) The SID Bank supervisory board shall have seven members.

(4) Members of the SID Bank supervisory board shall be appointed by the Government of the Republic of Slovenia as follows: six members shall be appointed based on the proposal of the minister responsible for finance, while one member shall be appointed based on the proposal of the minister responsible for the economy.

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## VII. TRANSITIONAL AND FINAL PROVISIONS

### **Article 19 (Procedures and adoption of regulations)**

(1) The implementing regulation referred to in paragraph five of Article 11 of this Act shall be adopted by the Government of the Republic of Slovenia on the proposal of the ministry responsible for finance in three months following the day of its publication in the Official Gazette of the Republic of Slovenia.

(2) Increasing SID Bank capital to the amount referred to in paragraph two of Article 4 shall be performed after the exclusion of minority shareholders, taking into consideration the procedures and time limits referred to in the Act regulating companies.

### **Article 20 (End of validity)**

On the day this Act enters into force, the following provisions of the Act Governing Insurance and Financing of International Commercial Transactions (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 2/04) shall cease to be in force:

- wording: "which is selected in accordance with Article 11 of this Act (hereinafter: authorised institution)" referred to in paragraph one of Article 2,
- Article 11,
- paragraph two of Article 12,
- indent one of paragraph five of Article 14 and
- the first sentence of paragraph ten of Article 17 and paragraph eleven of Article 17.

**Article 21**  
**(Entry into force)**

This Act shall enter into force on the fifteenth day following its publication in the Official Gazette of the Republic of Slovenia and shall apply from the day when the Republic of Slovenia becomes the only shareholder of SID Bank.