

Autor:

Centrum Tłumaczeń PWN.PL, aktualizacja od 2015 r. Centrum Tłumaczeń i Obsługi Konferencji LIDEX

Act
of 29 August 1997
Banking Law¹

Chapter 1
General Provisions

Article 1.

This Act sets out the principles for conducting banking activity, establishing and organising banks, the branch offices and representative offices of foreign banks, as well as branch offices of credit institutions, and the principles for exercising banking supervision, resolution framework, and the winding up and bankruptcy of banks.

Article 2.

A bank is a legal person established in accordance with the provisions of the applicable acts of law, acting on the basis of licenses authorising them to pursue banking operations that subject repayable funds entrusted to them, on whatever terms of repayment, to risk.

Article 3.

The words *bank* or *kasa* may only be used in the name of a bank and only to define the activities of or to advertise a bank within the meaning of Article 2, although:

- 1) this does not apply to organisational units that use the terms *bank* or *kasa* but whose activities clearly indicate that they do not conduct banking operations;
- 2) the word *kasa* may also be used in the name of an organisational unit, as well as to define the activities of or to advertise an organisational unit that, under a separate act of law, operates a savings account and loans money to individuals affiliated with that unit.

Article 4.

1. Whenever the provisions of this Act refer to:

- 1) domestic bank - a bank having its registered office in the Republic of Poland;
- 2) foreign bank - a bank having its registered office in a country that is not a Member State of the European Union;
- 3) an international financial institution - this shall be understood as a financial institution with the majority of equity held by member states of the Organisation for Economic Co-operation and Development or by central banks of such member states;
- 4) a payment card - this shall be understood as a payment card within the meaning of the

Payment Services Act of 19 August 2011 (Journal of Laws of 2020, items 794 and 1639);

5) electronic money - this shall be understood as electronic money within the meaning of the Payment Services Act of 19 August 2011;

6) (repealed);

7) financial institution - a financial institution referred to in Article 4.1 (26) of Regulation No. 575/2013;

8) a parent undertaking - this shall be understood as:

a) a parent undertaking referred to in Article 4.1 (15) of Regulation No. 575/2013, or

b) an entity which, according to the Polish Financial Supervision Authority, may exercise significant influence over another entity;

9) a subsidiary undertaking referred to in Article 4.1 (16) of Regulation No. 575/2013;

10) a financial holding company - this shall be understood as a group of undertakings in which an original parent undertaking is a financial institution other than a non-regulated parent undertaking within the meaning of Article 3 (5) of the Act on supplementary supervision of credit institutions, insurance and reinsurance undertakings and investment firms in a financial conglomerate of 15 April 2005 (Journal of Laws of 2020, item 1413), hereinafter referred to as "the Supplementary Supervision Act", consisting either exclusively or mainly of banks, credit institutions or financial institutions, with at least one of those subsidiaries being a domestic bank, a foreign bank, or a credit institution;

11) a mixed-activity holding company - this shall be understood as a group of undertakings in which an original parent undertaking is an entity other than a bank, credit institution, financial institution, or a non-regulated parent undertaking within the meaning of Article 3 (5) of the Supplementary Supervision Act, with at least one subsidiary being a domestic bank, a foreign bank, or a credit institution,

11a) a foreign bank holding company - this shall be understood as a group of undertakings in which an original parent undertaking is a foreign bank or credit institution, with at least one subsidiary being a domestic bank, a foreign bank, a credit institution, or a financial institution;

11b) a domestic bank holding company - this shall be understood as a group of undertakings:

a) in which an original parent undertaking is a domestic bank, or

b) which consists of a domestic bank and undertakings with close links with that bank;

11c) hybrid holding company - this shall be understood as a group of undertakings in which an original parent undertaking is a financial institution other than a non-regulated parent undertaking within the meaning of Article 3 (5) of the Supplementary Supervision Act, consisting mainly of undertakings other than domestic banks, foreign banks, credit institutions or financial institutions, with at least one subsidiary being a domestic bank;

12) ancillary banking services undertaking - an ancillary services undertaking referred to in Article 4.1 (18) of Regulation No. 575/2013

13) competent supervisory authorities - the competent authorities referred to in Article 4.1 (40) of Regulation No. 575/2013;

- 14) a significant influence - this shall be understood as the ability to participate in decision-making regarding the directions of the financial and operational policy of another undertaking, including decisions on the distribution of profits or coverage of losses reported in the balance sheet of that undertaking;
- 15) close links - this shall be understood as:
- a) close links referred to in Article 4.1 (38) of Regulation No. 575/2013, or
 - b) remaining in a business relationship with another undertaking based on permanent co-operation, including, in particular, on the basis of an agreement or agreements, which, according to the Polish Financial Supervision Authority, may significantly affect the financial situation of one of those undertakings;
- 16) entities connected by capital or organisation - a group of connected clients referred to in Article 4.1 (39) of Regulation No. 575/2013;
- 16a) an entrepreneur - an entrepreneur referred to in the Entrepreneur Law Act of 6 March 2018 (Journal of Laws of 2019, items 1292 and 1495 and of 2020, item 424 and 1086);
- 16b) a foreign entrepreneur - a foreign entrepreneur within the meaning of the Act of 6 March 2018 on the Rules for the Participation of Foreign Entrepreneurs and Other Foreign Persons in Business Transactions Within the Territory of the Republic of Poland (Journal of Laws of 2019, items 1079, 1214, 1495 and 1655);
- 17) credit institution - an institution referred to in Article 4.1 (1) of Regulation No. 575/2013, having its registered office in a Member State other than the Republic of Poland
- 18) credit institution branch - a branch referred to in Article 4.1 (17) of Regulation No. 575/2013, which is neither a branch of a domestic bank nor a branch of a foreign bank;
- 19) a foreign branch of a domestic bank - this shall be understood as an organisational unit of a domestic bank that performs all or some of the operations covered by the licence granted to that domestic bank, on behalf of and for the benefit of that domestic bank; all organisational units of a given domestic bank established outside of the Republic of Poland that fulfil the above conditions shall be regarded as a single branch;
- 20) a branch of a foreign bank - this shall be understood as an organisational unit of a foreign bank that performs all or some of the operations covered by the licence granted to that foreign bank, on behalf of and for the benefit of that foreign bank; all organisational units of a given foreign bank established in the Republic of Poland that fulfil the above conditions shall be regarded as a single branch;
- 21) cross-border activity - this shall be understood as all or some of the operations covered by the licence, performed by a credit institution in the territory of the Republic of Poland or by a domestic bank in a host Member State, without the involvement of any branch of that institution or bank;
- 22) home Member State - means the Member State of origin referred to in Article 4.1 (43) of Regulation No. 575/2013;
- 23) host Member State - means the host Member State referred to in Article 4.1 (44) of Regulation No. 575/2013;

- 24) (repealed);
- 25) investment fund company - this shall be understood as an investment fund company within the meaning of the Act of 27 May 2004 on Investment Funds and Management of Alternative Investment Funds (Journal of Laws of 2020, items 95 and 695), hereinafter referred to as the "Investment Funds Act";
- 26) a securitisation fund - this shall be understood as a securitisation fund within the meaning of the Investment Funds Act;
- 27) a sub-participation agreement - this shall be understood as the agreement referred to in Article 183.4 of the Investment Funds Act;
- 28) (repealed);
- 29) (repealed);
- 29a) a management company - this shall be understood as a management company referred to in Article 2 (10) of the Investment Funds Act;
- 29aa) a EU managing person - this shall be understood as the EU managing person referred to in Article 2 (10c) of the Investment Funds Act;
- 29b) (repealed);
- 30) (repealed);
- 31) (repealed);
- 32) (repealed);
- 33) lending institution - an entity referred to in Article 5 (2a) of the Act of 12 May 2011 on Consumer Credit (Journal of Laws of 2019, item 1083);
- 33a) internal approaches - means the Internal Rating Based Approach referred to in Article 143.1 of Regulation No. 575/2013, the Internal Models Approach referred to in Articles 221, 283, and 363 of Regulation No. 575/2013, the Own Estimates Approach referred to in Article 225 of Regulation No. 575/2013, the Internal Assessment Approach referred to in Article 259.3 of Regulation No. 575/2013, and the Advanced Measurement Approach referred to in Article 312.2 of Regulation No. 575/2013;
- 34) systemic risk - the risk referred to in Article 4 (15) of the Act on Macro-prudential Supervision;
- 35) significant bank - a bank which is significant in terms of size, internal organisation, and the type, scope, and complexity of its business, which:
- a) meets at least one of the following conditions:
 - the bank's shares have been admitted to trading on a regulated market within the meaning of the Act of 29 July 2005 on Trading in Financial Instruments (Journal of Laws of 2020, items 89, 284, 288 and 568),
 - the bank's share in the assets of the banking sector amounts to at least 2%,
 - the bank's share in the deposits of the banking sector amounts to at least 2%,
 - the bank's share in the own funds of the banking sector amounts to at least 2%, or
 - b) has been deemed to be significant by the Polish Financial Supervision Authority;
- 36) Member State - Member State of the European Union;
- 37) Act on Macro-prudential Supervision - the Act of 5 August 2015 on Macro-prudential Supervision over the Financial System and Emergency Management in the Financial

System (Journal of Laws of 2019, item 483 and of 2020, item 695);

38) Regulation No. 575/2013 - Regulation of the European Parliament and of the Council No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (OJ L 176, 27.06.2013, p. 1, as amended);

39) Regulation 596/2014 - Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC, and 2004/72/EC (OJ L 173, 12.06.2014, p. 1, as amended);

40) Regulation 2017/565 - Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 87, 31.03.2017, p. 1, as amended);

41) structured deposit - a deposit accepted by the bank with a defined maturity date, where the paid capital shall be returned in full and payment of interest or additional benefits and the amounts thereof shall be conditional on previously defined conditions, including such factors as:

- a) index or a combination of indexes, except for variable interest deposits, where the return rate is directly linked with the index of interest rates such as Euribor or Libor,
- b) financial instrument or a combination of financial instruments,
- c) commodities or a combination of commodities or other assets or a combination thereof,
- d) currency exchange rate or a combination of currency exchange rates;

42) professional customer - entity referred to in Article 3 (39b) of the Act of 29 July 2005 on Trading in Financial Instruments;

43) retail customer - entity referred to in Article 3 (39c) of the Act of 29 July 2005 on Trading in Financial Instruments;

44) eligible counterparty - entity referred to in Article 3 (39d) of the Act of 29 July 2005 on Trading in Financial Instruments;

45) relevant person - person referred to in Article 2 (1) of Regulation 2017/565;

46) durable medium - device which enables the user to store information addressed thereto in a manner enabling access thereto in a period relevant for the purposes of said information and allowing it to be reproduced in an unaltered form;

47) Regulation 2016/679 - Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 04.05.2016, p. 1, as amended);

48) profiling - the profiling of natural persons within the meaning of Article 4 (4) of Regulation 2016/679.

2. Undertakings closely linked to a domestic bank that is a member of a holding company are also regarded to be members of the holding companies referred to in par. 1 (10)-(11a), (11b) (a) and (11c).
3. The provisions of this Act relating to Member States also apply to countries that are not Member States but are members of the European Economic Area.
4. A domestic bank and a foreign bank are an institution referred to in Article 4.1 (1) of Regulation No. 575/2013.

Article 4a.

1. The Polish Financial Supervision Authority expresses the opinion referred to in Article 4.1 (8) (b) and (15) (b) by decision. An entity regarded to be a parent undertaking or an undertaking closely linked to the bank may apply to the Polish Financial Supervision Authority for reconsideration of the case.
2. The decision of the Polish Financial Supervision Authority as regards reconsideration of the case may be appealed against to an administrative court by the entity regarded to be a parent undertaking or an undertaking closely linked to the bank within 14 days from the date of that decision having been served. The filing of an appeal shall not postpone execution of the decision.
3. The bank is also entitled to apply for reconsideration of the case or to file an appeal to an administrative court against a decision of the Polish Financial Supervision Authority concerning the opinion referred to in Article 4.1 (15) (b).

Article 4b.

The Polish Financial Supervision Authority may, by way of a decision, deem a bank which does not fulfil the conditions referred to in Article 4.1 (35) (a) to be significant, having regard to:

- 1) degree of complexity of the bank's organisational structure;
- 2) complexity of the IT systems used by the bank;
- 3) complexity of activities carried out by the bank;
- 4) identifying the bank as a global institution of systemic importance or another institution of systemic importance on the basis of provisions of the Act on Macro-prudential Supervision.

Article 5.

1. Banking operations include:
 - 1) accepting cash deposits payable on demand or on a specified date and operating the related accounts for such deposits;
 - 2) operating other bank accounts;
 - 3) granting of credit;
 - 4) granting and confirming bank guarantees, and opening and confirming letters of credit;
 - 5) issuing bank securities;
 - 6) performing bank monetary settlements;

6a) (repealed);

7) performing other operations reserved solely for a bank under separate acts of law.

2. Banking operations also include the following activities, provided they are performed by banks:

- 1) the loan of money;
- 2) operations relating to cheques and bills of exchange, and operations relating to warrants;
- 3) provision of payment services and issuance of electronic money;
- 4) financial future or forward transactions;
- 5) acquisition and disposal of pecuniary claims;
- 6) safekeeping of objects and securities, and providing access to safe deposit boxes;
- 7) buying and selling of foreign exchange;
- 8) granting and confirming sureties;
- 9) performing operations ordered by clients in relation to the issue of securities;
- 10) acting as an intermediary in transfers of funds and foreign exchange settlements;
- 11) mediation in entering into structured deposit contracts;
- 12) consulting in relation to structured deposits.

3. (repealed).

4. Economic activity that involves the operations referred to in par. 1 may only be pursued by banks, subject to the provisions of par. 5.

5. Organisational units other than banks may perform the operations referred to in par. 1 if the provisions of separate acts of law authorise them to do so.

Article 5a.

1. Consulting in relation to structured deposits shall consist in preparing, on the initiative of the bank or upon request of the customer, a recommendation defined in Article 9 of Regulation 2017/565 in oral, written, or other form, in particular electronic, meeting the requirement of a durable medium, prepared based on the customer's needs and circumstances, concerning entering into or terminating a structured deposit contract, or performing an activity having equivalent effect, the subject of which are structured deposits, or a recommendation concerning abstaining from entering into or terminating a structured deposit contract, or concerning abstaining from another activity with equivalent effect, the subject of which are structured deposits, and submitting it to the customer.

2. The bank may provide independent or non-independent consulting services in relation to structured deposits.

Article 6.

1. In addition to the banking operations referred to in Article 5.1 and 5.2, banks may conduct the following activities:

- 1) take up or acquire shares and rights attached to shares, participating interests in other legal persons, and share units in investment funds;

- 2) incur liabilities in relation to the issuance of securities;
- 3) trade in securities;
- 4) exchange claims for assets of debtors on terms and conditions agreed with those debtors;
- 5) buy and sell immovable property;
- 6) provide consulting and advisory services in relation to financial matters;
- 6a) provide trust services and issue electronic identification means within the meaning of provisions on trust services;
- 7) provide other financial services;
- 8) perform other operations, if the provisions of separate acts of law authorise them to do so.

2. The bank is obliged to sell the assets referred to in paragraph 1 (4) within a period not longer than 5 years as of the date of their purchase.

3. The obligation referred to in par. 2 is not binding on a bank if the acquired assets are used by the bank for the purposes of its own banking activities.

Article 6a.

1. A bank may, by way of a written agreement, delegate the following activities to an entrepreneur or a foreign entrepreneur, subject to the provisions of Article 6d:

1) acting as an intermediary in the operations referred to in Article 5 and 6 for and on behalf of the bank, consisting in:

- a) conclusion and amendment of bank account agreements relating to the bank accounts referred to in Article 49.1, according to the standard form approved by the bank,
- b) conclusion and amendment of agreements relating to credits and loans of money granted to individuals, including consumer credits within the meaning of the Consumer Credit Act of 12 May 2011,
- c) conclusion and amendment of agreements relating to credits and loans of money granted to micro-entrepreneurs and small entrepreneurs within the meaning of the Entrepreneur Law Act of 6 March 2018,
- d) conclusion and amendment of settlement agreements on the repayment of the credits and loans of money referred to in subparagraphs (b) and (c),
- e) conclusion and amendment of agreements on the establishment of legal security for the credits and loans of money referred to in subparagraphs (b) and (c),
- f) conclusion and amendment of payment card agreements with a consumer, a microenterprise, or a small enterprise as a party thereto, within the meaning of the Act referred to in subparagraph (c),
- g) accepting cash payments, making cash withdrawals, and processing of cheques relating to the operation of bank accounts by that bank,
- h) making disbursements and accepting repayments of credits and loans granted by that bank,
- i) accepting payments to bank accounts operated by other banks,

- j) accepting instructions to perform bank monetary settlements relating to the operation of bank accounts by that bank,
 - k) performing operations relating to the issuance and keeping of bank securities and other securities, and performing other operations ordered by clients relating to the issuance and servicing of securities,
 - l) recovery of the bank's claims,
 - m) performance of other operations, upon approval of the Polish Financial Supervision Authority
- 2) actual transactions related to banking activities.
2. The activities referred to in par. 1.1 (a)-(j) are delegated by the bank under an agency agreement.
3. The activities delegated in accordance with par. 1 cannot include:
- 1) management of a bank within the meaning of Article 368 § 1 of the Act of 15 September 2000 - the Code of Commercial Companies and Partnerships (Journal of Laws of 2020, item 1526), hereinafter referred to as "the Code of Commercial Companies and Partnerships", and within the meaning of Article 48 of the Co-operative Law Act of 16 September 1982 (Journal of Laws of 2020, items 275, 568, 695 and 875), hereinafter referred to as "the Co-operative Law Act", including, in particular, the management of risks relating to banking activities, including the management of assets and liabilities, creditworthiness assessment, and credit risk analysis,
 - 2) conducting internal audits of the bank.
4. The Polish Financial Supervision Authority may grant the approval referred to in par. 1 (1) (m) to the bank if other operations need to be delegated by the bank to ensure that the banking activity is pursued in a sound and prudent manner or to achieve significant reduction of the costs of that activity.
5. The following documents are attached by the bank to an application for the approval referred to in par. 1 (1) (m):
- 1) documents relating to the economic activity of the entrepreneur or foreign entrepreneur who will perform the delegated activities;
 - 2) the draft agreement referred to in par. 1, to be concluded with the entrepreneur or foreign entrepreneur;
 - 3) plans of action ensuring the continuous and uninterrupted operation within the scope covered by the agreement;
 - 4) the description of the technical and organisational solutions applied to ensure the safe and correct performance of the delegated activities, including, in particular, the protection of confidential information protected by law;
 - 5) the description of the risk management system adopted to manage the risks connected with the performance of the activities referred to in par. 1.
6. The provisions of Article 33 apply accordingly to the procedure relating to the application referred to in par. 5.
7. Where so provided for in the agreement under which the activities referred to in par. 1 are

delegated, the entrepreneur or foreign entrepreneur referred to in par. 1 may delegate the following activities to another entrepreneur or foreign entrepreneur, under a separate agreement:

- 1) the activities referred to in the agreement concluded with the bank, necessary to perform the main obligations provided for therein, upon the bank's prior written approval, or
 - 2) the activities delegated by the bank on a one-time basis where, due to force majeure, the bank cannot perform such activities, for the period necessary to eliminate the circumstances preventing the bank from performing such activities.
8. The provisions of par. 2 apply accordingly to the activities delegated in accordance with par. 7 (2).
9. The minister responsible for financial institutions shall define, by way of a regulation, the list of documents referred to in paragraph 5 (1), taking account of the need to ensure access of the Polish Financial Supervision Authority to data necessary to correctly exercise supervision, including evaluations of fulfilment of the requirements based on which authorisations are issued for a bank to entrust intermediary services in the scope of certain activities to an entrepreneur or a foreign entrepreneur.

Article 6b.

1. The liability of the entrepreneur or foreign entrepreneur referred to in Article 6a.1 in respect of the bank for any damage suffered by the clients as a result of a non-performance or improper performance of the agreement referred to in Article 6a.1 and 6a.7 cannot be excluded or limited.
2. The liability of a bank for any damage suffered by the clients as a result of a non-performance or improper performance of the agreement referred to in Article 6a.1 and 6a.7 cannot be excluded or limited.

Article 6c.

1. The activities referred to in Article 6a.1 may be delegated by the bank on a permanent or temporary basis subject to the fulfilment of the following conditions:
 - 1) the bank and the entrepreneur or foreign entrepreneur have adopted plans of action to ensure the continuous and uninterrupted operation within the scope covered by the agreement;
 - 2) the delegation of the activities referred to in Article 6a.1 and 6a.7 has no negative effect on the performance on the bank's activities in accordance with the law, the sound and prudent management of the bank, the effectiveness of the bank's internal control system, the ability to perform the assigned tasks by the statutory auditor authorised to examine the bank's financial statements under an agreement concluded with the bank, or on the protection of confidential information protected by law;
 - 3) the risks related to the activities delegated in accordance with Article 6a.1 and 6a.7 are covered by the bank's risk management system.
2. The bank shall notify the Polish Financial Supervision Authority:

- 1) at least 14 days before the date of conclusion of an agreement containing a provision under which the activities referred to in Article 6a.7 (2) are delegated to the entrepreneur referred to in Article 6d.1, or an agreement under which such delegated activities are to be performed outside of a Member State - of any such contractual provision;
 - 2) immediately - of any activities delegated in accordance with Article 6a.7 (2).
3. The bank shall keep a record of all agreements referred to in Article 6a.1 and 6a.7, including, at a minimum:
- 1) identification data of the entrepreneurs or foreign entrepreneurs who will perform the activities delegated under such agreements;
 - 2) the scope of the delegated activities and the place of their performance;
 - 3) the duration of such agreements.
4. The Polish Financial Supervision Authority may specifically require a bank to provide:
- 1) a copy of the agreement referred to in Article 6a.1 or 6a.7;
 - 2) explanations regarding the performance of agreements under which certain activities are delegated;
 - 3) the plan of action referred to in par. 1 (1);
 - 4) the documents defining the status of an entrepreneur or foreign entrepreneur who is a party to the agreement concluded with the bank;
 - 5) description of the technical and organisational solutions applied to ensure the safe and correct performance of the delegated activities, including, in particular, the protection of confidential information protected by law;
 - 6) description of the principles of management of the risks related to the activities delegated in accordance with Article 6a.1 and 6a.7.
5. The bank is required by the Polish Financial Supervision Authority, by decision, to take action necessary to amend or terminate the agreement referred to in Article 6a.1 or 6a.7 if:
- 1) the performance of that agreement is detrimental to the sound and prudent management of the bank;
 - 2) the entrepreneur or foreign entrepreneur who is party to the agreement has lost the licences necessary to perform that agreement.
6. The bank may appeal against the decision of the Polish Financial Supervision Authority referred to in par. 5 to an administrative court within 14 days from the date of that decision having been served. Execution of the decision shall not be postponed by that appeal. The provisions of Article 127 § 3 of the Act of 14 June 1960 - the Code of Administrative Procedure (Journal of Laws of 2020, items 256, 695 and 1298), hereinafter referred to as "the Code of Administrative Procedure", do not apply.
7. The Polish Financial Supervision Authority may, without prior written warning, apply the measures specified in Article 138.3, if the bank has failed to amend or terminate the agreement referred to in Article 6a.1 or 6a.7 by the prescribed date.
8. The provisions of Article 136.3 and Article 141h.1, 141h.3, and 141h.4 apply accordingly to the entrepreneur or foreign entrepreneur referred to in Article 6a.1 and 6a.7.

Article 6d.

1. An approval from the Polish Financial Supervision Authority obtained at the request of a bank is required to conclude the agreement referred to in Article 6a.1 or 6a.7 with a foreign entrepreneur having no permanent place of residence or registered office in a Member State, or an agreement providing for the performance of the delegated activities outside of a Member State.
2. The provisions of Article 6a.5 and of Article 33 apply accordingly to the procedure concerning the application referred to in par.1, subject to the provisions of par. 3.
3. In the case of the agreements referred to in:
 - 1) Article 6a.7 (1) - the provisions of Article 6a.5 (2) do not apply;
 - 2) Article 6a.7 (2) - the provisions of Article 6a.5 (2) and (3) do not apply,
4. The Polish Financial Supervision Authority may refuse to grant the approval or may withdraw the approval if:
 - 1) there is a risk of disclosure of the confidential information protected by law;
 - 2) the law of the country where such activities are to be performed prevents the effective supervision by the Polish Financial Supervision Authority;
 - 3) delegation of the activities could have a negative effect on the performance of the bank's activities in accordance with the law, the sound and prudent management of the bank, the effectiveness of the bank internal control system, and the ability to perform the assigned tasks by the statutory auditor authorised to examine the bank's financial statements under an agreement concluded with the bank.
5. The provisions of Article 6c apply accordingly.

Article 6e.

The minister responsible for financial institutions may define, by way of a regulation, detailed conditions of operation of a risk management system connected with the activities referred to in Articles 6a to 6d, with a view to ensuring that the bank considers the risk connected with entrusting the activities referred to in Article 6a.1 and 6a.7 in the risk management system, along with the correctness of operation of the entities pursuing activities on the banking market as well as transparency, stability, and security of that market.

Article 7.

1. Declarations of intent relating to banking operations may be made in electronic form.
2. Documents relating to banking operations may be prepared on electronic media provided they are properly created, recorded, transmitted, stored, and protected. Services relating to the protection of such documents may be provided by banks, by companies established by banks and other entities, and by ancillary banking services undertakings
3. Wherever this Act stipulates that a legal instrument must be in writing, then an instrument in the form as referred to in par. 1 shall be recognised as fulfilling the written form requirement, also when the form is considered invalid unless it is made in writing.
4. The Council of Ministers shall define, by regulation and after consultation with the President of the National Bank of Poland, the methods for the creation, recording, transmission, storage, and protection, including by means of an electronic signature, of the

documents referred to in par. 2, so as to ensure the security of trade and protection of the interests of banks and their clients.

Article 7a.

The provisions of the gambling regulations and of Article 413 of the Act of 23 April 1964 - the Civil Code (Journal of Laws of 2019, items 1145 and 1495 and of 2020, item 875), hereinafter referred to as "the Civil Code", do not apply to the financial forward or future transactions referred to in Article 4.1 (7) (h) and in Article 5.2 (4), and provided for in the agreements concluded by a bank or a financial institution.

Art. 7b.

Declarations of intent related to the performance of the activities referred to in Article 6.1 (6a) may be submitted in electronic form.

Article 8.

A bank shall maintain payment liquidity corresponding to the size and type of its activity in a way that ensures all payment obligations can be performed by their maturity dates.

Article 9.

1. A bank has a management system in place.
2. A management system is a set of principles and mechanisms relating to decision-making processes in a bank and to the evaluation of the banking activities.
 - 2a. The management system includes procedures of anonymous reporting of infringements of law to the indicated member of the management board - and in particular cases - to the supervisory board of the bank, as well as procedures and ethical standards applicable at the bank.
 - 2b. As part of the procedures referred to in paragraph 2a, the bank shall ensure, to the employees who report infringements, protection at least against actions of repressive nature, discrimination, or other types of unfair treatment.
3. A bank management system, at a minimum, should include:
 - 1) a risk management system;
 - 2) an internal control system.

Article 9a.

1. The management board of a bank designs, implements, and ensures the effective operation of a bank management system.
2. The supervisory board of a bank supervises the implementation of a management system and evaluates its adequacy and effectiveness.

Article 9b.

1. The risk management system is aimed at identification, measurement or estimation, control, and monitoring of risk occurring in the bank's activities, in order to ensure correct

designation and implementation of detailed objectives of the bank's business.

2. Within the framework of the risk management system, a bank:
 - 1) applies formal principles to determine the scale of risk and the principles of risk management;
 - 2) applies formal procedures to identify, measure or estimate, and monitor the risks inherent in the bank's activities, including the expected future risk levels;
 - 3) applies formal limits to reduce risks and the procedures to be followed when such limits are exceeded;
 - 4) implements the established management reporting system to monitor risk levels;
 - 5) implements an organisational structure corresponding to the scale and profile of the bank's risks.
3. A bank ensures oversight of the risks relating to the activities of its subsidiaries.

Article 9c.

1. The aim of the internal control system is to ensure:
 - 1) effectiveness and efficiency of the bank's operations;
 - 2) reliability of financial statements;
 - 3) compliance with the risk management principles at the bank;
 - 4) compliance of the bank's activities with law, internal regulations, and market standards.
2. As part of the internal control system, the bank shall separate out:
 - 1) a control function whose task will be to ensure compliance with controls relating in particular to the risk management at the bank and covering positions, groups of human resources or organisational units responsible for the implementation of tasks entrusted to that function;
 - 2) a compliance unit whose task will be to identify, evaluate, control, and monitor compliance risk in the bank's activities with regard to law regulations, internal regulations, and market standards, and to present reports in this scope;
 - 3) an independent internal audit unit whose task will be to review and assess, in an independent and objective manner, the adequacy and effectiveness of the risk management system and the internal control system, except for the internal audit unit.

Article 9ca.

1. The Bank is obliged to elaborate and apply a remuneration policy for individual categories of persons whose professional activity has a material impact on the bank's risk profile, including remunerations and discretionary pension benefits within the meaning of Article 4.1 (73) of Regulation No. 575/2013, hereinafter referred to as "remuneration policy".
2. The management board of the bank shall elaborate and implement a remuneration policy approved by the supervisory board.
3. The remuneration policy applied by the bank shall also cover its subsidiary undertakings and take into account the remuneration policy applied by the parent undertaking in relation to the bank.

4. The Polish Financial Supervision Authority collects and analyses information published by banks pursuant to Article 450.1 (g) to (i) of Regulation No. 575/2013 in order to monitor trends and practices in the scope of remuneration policy applied by the banks.
5. Once in a year, until 31st of January, the bank shall submit, to the Polish Financial Supervision Authority, data on the number of persons defined in paragraph 1 whose total remuneration in the preceding year totalled at least an equivalent of EUR 1,000,000, along with indication of the positions held by those persons and amounts of main remuneration components, granted bonuses, long-term awards, and pension contributions paid.
6. The Polish Financial Supervision Authority shall forward the information and data referred to in paragraphs 4 and 5 to the European Banking Authority.
7. The EUR equivalent of the remuneration referred to in paragraph 5 shall be calculated on the basis of the average EUR exchange rate announced by the National Bank of Poland and applicable on the last working day of the year for which the data is forwarded.

Article 9cb.

1. A significant bank operates:
 - 1) a remuneration committee,
 - 2) a risk committee- including persons appointed from among the members of the bank's supervisory board.
2. The tasks of the remuneration committee shall include providing opinions with regard to and monitoring the remuneration policy implemented at the bank, as well as supporting the bank's bodies in elaboration and implementation of the policy.
3. The tasks of the risk committee include in particular:
 - 1) providing opinions as to the ongoing and future readiness of the bank to undertake risk;
 - 2) providing opinions as to the risk management strategy in bank activities, elaborated by the bank's management board, as well as the information submitted by the management board in relation to the implementation of the strategy;
 - 3) supporting the supervisory board of the bank in supervising the implementation of the risk management strategy in bank's activities by senior management staff;
 - 4) verifying whether the prices of liabilities and assets offered to clients take account of the bank's business model and its risk strategy in their entirety, and - if the prices do not adequately reflect the types of risk under this model and this strategy - presenting proposals to the bank's management board, aimed at ensuring prices of liabilities and assets adequate to these risk types.
4. The bank shall provide the remuneration committee with access to the information, resources, and support necessary for the committee to carry out its tasks, including a possibility of using external expert services.
5. Upon request of a bank not being a significant bank, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may consent to combining the risk committee with the audit committee referred to in Article 128.1 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms, and Public Supervision (Journal of Laws of 2020, item 1415),

provided that a majority of the members of the bank's supervisory board who are to be appointed to the combined committee meet the criteria referred to in Article 129.3 of that Act. The provisions of Articles 129.1, 129.5, and 129.6 of that Act shall apply accordingly.

Article 9cc.

The bank shall document systems and processes referred to in provisions of the Act or Regulation No. 575/2013, and shall record transactions in a manner enabling the Polish Financial Supervision Authority to supervise the compliance of the bank's activities with the said provisions.

Article 9cd.

1. A significant bank shall have a nomination committee, members of which shall be appointed by the supervisory board from among its members.
2. When carrying out the duties entrusted thereto, the nomination committee shall, where possible, take account of the need to ensure that the decision-making process in the bank's management board is not dominated by a single individual, which could negatively affect the bank's interests.
3. In order to carry out its tasks, the nomination committee may take advantage of any and all necessary resources, including external consulting services.
4. The bank shall ensure appropriate financing for the performance of the tasks of the nomination committee.
5. The minister responsible for financial institutions shall define, by way of a regulation, the detailed scope of the tasks of the nomination committee, taking account of the need to ensure efficient, correct, and prudent management of the bank.

Article 9ce.

The nomination committee or supervisory board, if the committee has not been appointed, shall adopt a policy of diversity in the composition of the bank's management board, taking account of the wide set of characteristics and competences required from persons performing the function of management board members.

Article 9d.

(repealed).

Article 9e.

(repealed).

Article 9f.

1. The minister responsible for financial institutions shall define, by way of a regulation:
 - 1) the detailed manner of operation of the risk management system and the internal control system at banks, including the procedure of anonymous reporting of infringements of law to the indicated member of the management board or to the

supervisory board, as well as procedures and ethical standards applicable at the bank, keeping in mind the need of ensuring an effective operation of the bank's statutory bodies and reliable approach to risk undertaken within the activities pursued, as well as ensuring effective operation of infringement detection mechanisms;

2) the detailed scope of the remuneration policy and the manner of determining it, keeping in mind the need of ensuring correct implementation of the remuneration policy at the bank, including elimination of the negative impact of remuneration systems on risk management.

2. The minister responsible for financial institutions may define, by way of a regulation, the manner of limiting the types and forms of non-cash instruments in which - in accordance with the adopted remuneration policy - the variable remuneration component is paid out, taking account of the need to ensure security and stability of the bank in a long-term horizon.

Article 9g.

(repealed).

Article 10.

1. Internal control in co-operative banks affiliated with an affiliating bank may be performed by the affiliating bank on terms and conditions specified in the respective affiliation agreement.

2. In the case when the affiliating bank or cooperative banks participate in the protection system referred to in Article 22b.1 of the Act of 7 December 2000 on the Functioning of Cooperative Banks, their Affiliation, and Affiliating Banks (Journal of Laws of 2020, items 449 and 695), hereinafter referred to as "Act on Functioning of Cooperative Banks, their Affiliation, and Affiliating Banks", the external control referred to in Article 9c.2 (3) and Article 9d.2 is carried out in these banks in accordance with the principles defined in the protection system agreement.

Article 10a.

1. The Chairperson of the Polish Financial Supervision Authority, his deputies, members of the Polish Financial Supervision Authority, regular staff of the Office of the Polish Financial Supervision Authority and persons employed in the Office on the basis of a contract for a specific task, contract of mandate, or other similar agreements, are bound by the obligation of professional secrecy.

2. The professional secrets referred to in par. 1 include any and all information gained or created in relation to the banking supervisory activities, the transfer, disclosure, or confirmation of which could be contrary to the legally protected interests of the entities to which this information applies, either directly or indirectly, or could hinder the banking supervisory activities.

3. The obligation referred to in par. 1 also continues to persist after the legal relationship referred to in par. 1 has expired.

4. Subject to the provisions of par. 5 to 8, the following does not constitute a breach of the

obligation referred to in par. 1:

- 1) making the information available to the competent supervisory authorities for the purposes of the banking supervision performed by such authorities;
 - 1a) disclosure of the information to competent supervisory authorities for the purposes of supervision over the capital market exercised by these authorities, as well as in matters connected with the exercise of this supervision, if this shall not result in infringement of the economic interest of the Republic of Poland, and if it is ensured that the information disclosed will be used only for the purposes of supervision over the capital market or in matters connected with the exercise of this supervision, and it is guaranteed that the information may be disclosed to other entities than the supervisory body only upon prior consent of the Polish Financial Supervision Authority;
 - 2) reporting a suspected offence;
 - 3) providing such information to a central bank, member of the European System of Central Banks, as may be required by that central bank to implement its statutory tasks, including the tasks connected with the monetary policy and ensuring the related liquidity, the tasks connected with the supervision of the payment, settlement and clearing systems, as well as the tasks implemented when stability of the financial system is at risk;
 - 4) providing information to the competent supervisory authorities of the Member States concerned in cases when stability of the national financial system is at risk, and as may be necessary to meet the international obligations of the Republic of Poland;
 - 5) providing, to the Financial Stability Committee referred to in the Act on the Macro-prudential Supervision, information necessary for the Committee to carry out its statutory tasks;
 - 6) providing, to the institutional protection schemes referred to in Article 113.7 of Regulation No. 575/2013, information necessary for them to carry out their tasks;
 - 7) providing, to the European Systemic Risk Board, the European Banking Authority, or the European Securities and Markets Authority, information necessary for them to carry out their tasks, if such an obligation results from the provisions pertaining to the creation and operation of these entities;
 - 8) providing, to the bank's customer, at their request, information for the purposes of initiated or planned civil proceedings against a bank declared bankrupt or whose liquidation is being carried out pursuant to Article 147;
 - 9) providing the Borrowers' Support Fund Council with information referred to in Article 16a.5 of the Act of 9 October 2015 on the Support of Borrowers Who Have Taken Out Mortgages and are in a Difficult Financial Situation (Journal of Laws of 2019, item 2138).
5. Any information that constitutes professional secrets, including bank secrets, may only be disclosed in the manner and on the terms specified for the disclosure of information that constitutes bank secrets.
6. The information that constitutes professional secrets of the competent supervisory authorities of a Member State may be disclosed to the competent supervisory authorities of a non-Member State only if that information is protected at least within the scope specified

herein.

7. Information obtained from the competent supervisory authorities that constitutes professional secrets of such authorities may only be made available upon consent of those authorities and for the purposes specified in that consent.

8. The consent referred to in par. 7 is not required if the information obtained from the competent supervisory authorities of a Member State is disclosed to the competent supervisory authorities of another Member State, or if the disclosure of such information is necessary for the purposes of banking supervision.

9. Persons other than those referred to in par. 1, who gained access to the information that constitutes professional secrets, specifically in the cases referred to in par. 4 (2) and par. 7 and 8, are bound by the obligation of professional secrecy, unless they are obliged to further disclose such information under separate regulations.

10. The provisions of par. 1-9 apply accordingly to the information contained in the documents taken over by the Office of the Polish Financial Supervision Authority under an agreement concluded in accordance with Article 71.2 of the Financial Market Supervision Act of 21 July 2006 (Journal of Laws of 2020, items 180, 284, 568 and 695).

Article 10b.

1. The Polish Financial Supervision Authority publicly announces, without undue delay, the information about imposition of a final administrative penalty, including the type and nature of law infringement, along with indication of the name and surname of the person or entity (company) name subject to the penalty.

1a. The Polish Financial Supervision Authority may publicly announce information about the imposition of an administrative sanction, including about the type and nature of the infringement of law, before the decision imposing that sanction becomes final, specifying:

- 1) forename and surname of the person or name (business name) of the entity,
- 2) that the decision imposing the sanction has not become final,
- 3) whether the party submitted an application to re-examine the case or lodged a complaint with the administrative court

- having regard to the purposes referred to in Article 2 of the Act of 21 July 2006 on Financial Market Supervision.

2. The information referred to in paragraphs 1 and 1a is posted on the website of the Polish Financial Supervision Authority for a period of 5 years as of the day of its posting, with the reservation that the name and surname of the person subject to the sanction shall be posted for a period not longer than one year.

3. As part of the information referred to in paragraphs 1 and 1a, the Polish Financial Supervision Authority shall not provide the name and surname of a natural person when the publication of this data:

- 1) would constitute a measure disproportionate to the infringement;
- 2) would pose a threat to stability of financial markets;
- 3) would put pending criminal proceedings or fiscal offence proceedings in jeopardy;
- 4) would inflict disproportionate harm on that person.

4. The Polish Financial Supervision Authority shall forward the information about the applied administrative penalties to the European Banking Authority.

Article 11.

1. Unless otherwise provided for in this Act, the provisions of the Code of Administrative Procedure apply accordingly to the decisions of the President of the National Bank of Poland relating to the grant of consent referred to in this Act.

2. Decisions of the Polish Financial Supervision Authority issued to:

- 1) express an assessment,
- 2) grant licences,
- 3) grant consents or approvals,
- 4) order a bank to amend or terminate an agreement,
- 4a) prevent the exercise of rights attached to shares of a domestic bank, or the rights of a parent undertaking,
- 5) order the sale of shares by the prescribed date,
- 6) refuse to send information to the competent supervisory authorities of a host Member State,
- 7) refuse to notify the competent supervisory authorities of a host Member State,
- 8) prohibit the operations of a financial institution in a host Member State,
- 9) order a bank to suspend profit distribution,
- 10) order a bank to suspend the establishment of the bank's new organisational units, branches of a foreign bank, or branches of a credit institution,
- 11) suspend members of the management board of a bank or financial institution from office,
- 12) restrict the scope of the activities of a bank, a branch of a foreign bank, or a branch of a credit institution,
- 13) impose a financial penalty on a bank, a branch of a foreign bank, a branch of a credit institution, or a financial institution,
- 14) order the winding-up of a bank or a branch of a foreign bank,
- 15) determine the scope of powers of a liquidator or any other person designated by the competent supervisory authorities of a Member State to conduct the winding-up proceedings in respect of a credit institution,
- 16) dismissing a member of the management board or the supervisory board of the bank,
- 17) impose a financial penalty on members of the management board of a bank or financial institution, and on the authorities of a branch office of a credit institution,
- 18) prohibit or restrict the grant of credits and loans of money to the shareholders (members) and to members of management boards, supervisory boards, and employees of a bank,
- 19) order the convention of an extraordinary general meeting,
- 20) (repealed),
- 20a) recommend that the bank comply with additional liquidity requirements in

accordance with Article 138.1 (1a),

21) recommend that the bank fulfil an additional requirement with respect to own funds, in accordance with Article 138.1 (2a),

22) appoint and recall a remedial programme implementation supervisor,

23) place a bank under administration,

24) approve of a bank's take-over by another bank, upon consent of the acquirer,

25) apply to the Council of Ministers for the winding-up of a state-owned bank,

26) recall a liquidator appointed by a bank,

27) suspend a bank's operations,

28) designate a branch office of a credit institution as significant

- are binding as final administrative decisions and are immediately enforceable.

3. Unless otherwise provided for in this Act, the opinions referred to herein will be issued within 30 days.

Article 11a.

The provisions of Article 31 of the Code of Administrative Procedure shall not apply to proceedings before *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] conducted pursuant to the provisions of Chapter 12 Part AA.

Article 11b.

1. The service of letters in proceedings conducted pursuant to the provisions of Chapter 12 Part AA may be effected by electronic means of communication within the meaning of Article 2 (5) of the Act of 18 July 2002 on the Provision of Services by Electronic Means (Journal of Laws of 2020, item 344) to the electronic mail address given previously to *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] by the bank. The provision of Article 39¹ of the Code of Administrative Procedure shall not apply to such proceedings.

2. A bank, undertaking an activity, shall transfer to *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority], within 14 days, the electronic mail address for the purposes of service in the proceedings referred to in the first sentence of paragraph 1, and shall ensure its own capability of identification under the address of the electronic mail inbox in the ICT system of *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] and of signing official acknowledgements of receipt in the manner indicated in Article 20a of the Act of 17 February 2005 on the Informatisation of Entities Performing Public Tasks (Journal of Laws of 2020, items 346, 568, 695 and 1517).

3. The bank shall notify *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] of changes in the electronic mail address referred to in paragraph 1. In the case of failure to notify *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] of a change in the electronic mail address, the service of a letter to the previously given electronic mail address shall have legal effect. The provision of Article 41 of the Code of Administrative Procedure shall not apply to the proceedings referred to in the first sentence of paragraph 1.

4. Should an attorney be appointed, the power of attorney should specify the electronic mail address for servicing purposes. Should no electronic mail address for servicing purposes be indicated in a power of attorney, the service of a letter to the electronic mail address of the bank which appointed the attorney shall have legal effect. The provision of paragraph 2 shall apply accordingly to changes in an electronic email address specified in a power of attorney.
5. Should a letter in the form of an electronic document not be received in the manner referred to in Article 46 § 4 (3) of the Code of Administrative Procedure, the service shall be regarded as effected after two working days have passed from the date on which the notification referred to in Article 46 § 4 of the Code of Administrative Procedure is sent.

Chapter 2

Establishment and Organisation of Banks and of Branch Offices and Representative Offices of Banks

Article 12.

Banks may be established in the form of state-owned banks, co-operative banks, or joint-stock companies.

Article 13.

1. Banks established in the form of joint-stock companies may be founded by legal and natural persons, but there must be no fewer than 3 such founders.
2. Co-operative banks may be established only by natural persons, the number of founders of a co-operative being specified in the Co-operative Law Act.
3. The provision of par. 1 does not apply to a bank established by the State Treasury, a domestic bank, a credit institution, a foreign bank, a domestic or foreign insurance or reinsurance undertaking, or an international financial institution.

Article 13a.

The management board of a bank operates and performs its functions in a registered office specified in the bank's articles of association (statute).

Article 13b.

The Polish Financial Supervision Authority collects information published by banks pursuant to Article 435 (2) (c) of Regulation No. 575/2013 and uses it in benchmark analyses of practices ensuring diversity in the composition of bank bodies. The Polish Financial Supervision Authority forwards the information collected and results of the analyses to the European Banking Authority.

A.

State-owned banks

Article 14.

1. A state-owned bank may be established by the Council of Ministers by way of a regulation. The liquidation of a state-owned bank shall be effected by the same procedure.
 - 1a. The establishment or liquidation of a state-owned bank shall require consultation with *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority], except in the case referred to in Article 147.1 (2).
2. A regulation of the Council of Ministers concerning the establishment of a state-owned bank describes the name, registered office, object, and scope of activity of that bank, as well as its statutory funds, including the funds assigned from the State Treasury, which become the bank's assets.
3. A state-owned bank shall not be entered into *Krajowy Rejestr Sądowy* [the National Court Register].

Article 14a.

A state-owned bank is not a state-owned enterprise, a state organisational unit, or a public finance sector unit within the meaning of separate regulations.

Article 15.

1. The authorities of a state-owned bank are the supervisory board and a management board.
2. Members of management boards or supervisory boards of state-owned banks cannot pursue rival activities. In particular, they cannot be members of a management board or supervisory board of any other bank, unless the state-owned bank is a shareholder of that bank.

Article 16.

1. Members of the supervisory board shall be appointed for a term of 3 years from among persons having appropriate qualifications in finance. The chairperson of the supervisory board shall be appointed and dismissed by the Prime Minister.
2. Members of the supervisory board shall be appointed by the Prime Minister from among persons not being members of the management board of that bank. The dismissal of members of the supervisory board shall be effected by the same procedure by which they were appointed.

Article 17.

1. A president of the management board of a state-owned bank is appointed and recalled by the supervisory board.
2. Other members of the management board are appointed and recalled by the supervisory board, at the request of the president of the management board.
3. Approval of the Polish Financial Supervision Authority is required for the appointment of the president and one member of the management board. The provisions of Article 22b apply accordingly.

Article 18.

1. A supervisory board supervises the activities of a state-owned bank, approves the financial statements presented by the management board, the proposed distribution of profit and coverage of losses, and the annual report of the bank's activity, presents recommendations to the management board, and may suspend members of the management board from office.
2. Subject to the provisions of par. 1, the management board of a bank investigates any matters relating to the bank's activities and adopts resolutions on such matters, the implementation of which is ensured by the president of the management board.
3. The supervisory board repeals any resolution of the management board if that resolution is found to be against the law or the bank's statute.
4. The President of the management board of a state-owned bank represents the bank, chairs meetings of the management board, and organises the bank's activities.
5. The specific scope of activities of the supervisory board and management board, and of the bank's authorised representatives, is defined in the statute of a state-owned bank.

Article 19.

The articles of association of a state-owned bank shall be adopted, by way of a regulation, by the minister responsible for state assets in consultation with the minister responsible for financial institutions, after consultation with the Polish Financial Supervision Authority, having regard to the need for the efficient fulfilment of tasks by a state-owned bank.

B.

Co-operative banks

Article 20.

1. A cooperative bank is a bank within the meaning of Article 2 (1) of the Act on Functioning of Cooperative Banks, their Affiliation, and Affiliating Banks.
2. The statute of a co-operative bank is invalid unless drawn up in the form of a notarial deed.

Article 20a.

1. A cooperative bank shall be governed, accordingly, by provisions of Articles 22 to 22b and Article 22d, with the reservation that in the case of an affiliated cooperative bank, in the affiliating bank:
 - 1) the management board member referred to in Article 22a.4 is president of the management board;
 - 2) the provision of Article 22a.6 (1) shall not be applied;
 - 3) the provision of Article 22b shall be applied solely to the appointment of the president of the management board.
2. Upon request of an affiliated cooperative bank in the affiliating bank, the Polish Financial Supervision Authority may grant authorisation for the position of the management board member referred to in Article 22a.4 to be separated. The provision of Article 22b shall apply

accordingly.

C.

Banks established in the form of joint-stock companies

Article 21.

The provisions of the Code of Commercial Companies and Partnerships apply to the establishment and operation of a bank established in the form of a joint-stock company, unless otherwise provided for in this Act.

Article 22.

1. The supervisory board consisting of at least five natural persons is the supervisory authority in the bank.
2. Members of the supervisory board of a bank shall be appointed and dismissed by the general meeting, taking account of the fulfilment of the requirements referred to in Article 22aa.
3. Immediately after appointing the supervisory board and changing its composition, the bank shall submit to the Polish Financial Supervision Authority information about the composition of the supervisory board and changes in its composition as well as information about the fulfilment of the requirements defined in Article 22aa by the supervisory board members concerned, based on the assessment referred to in paragraph 2.

Article 22a.

1. The management board of a bank shall consist of no less than three natural persons who shall be appointed and dismissed by the supervisory board, subject to the provisions of Article 22b. When appointing or dismissing members of the management board of the bank, the supervisory board shall take into account the fulfilment of the requirements referred to in Article 22aa.
2. The supervisory board shall advise the Polish Financial Supervision Authority of the composition of the management board and of any changes in the composition thereof immediately after its appointment or after any changes in its composition, and shall provide to the Authority information stemming from the assessment referred to in paragraph 1 about the fulfilment by the management board members of the requirements referred to in Article 22aa. The supervisory board shall also advise the Polish Financial Supervision Authority of the approval of and any changes to the internal distribution of powers and duties in the management board of the bank.
3. The work of the management board is directed by the president of the management board. The internal audit unit reports to the president of the management board.
4. In the management board of the bank, there will be a separate position or positions of members supervising management of material risk in the bank's activity.
5. The management board of the bank shall set up and the supervisory board shall approve the internal distribution of powers and duties in the bank's management board.

6. As part of the internal distribution of powers and duties in the bank's management board:
 - 1) the function of the president of the management board may not be combined with the function of the management board member referred to in paragraph 4;
 - 2) the president of the bank's management board may not be entrusted with supervision over an area of the bank's business posing a material risk in the bank's activities;
 - 3) the management board member of the bank, referred to in paragraph 4, may not be entrusted with supervision over an area of the bank's business posing a risk which is managed under the supervision of that member;
 - 4) apart from the powers and duties referred to in paragraphs 3 and 4, supervisory powers and duties in the following areas shall be distributed:
 - a) risk of non-compliance of the bank's activities with law, internal regulations, and market standards,
 - b) the area of accounting and financial reporting, including financial control.

Article 22aa.

1. Members of the management board and the supervisory board of the bank should have knowledge, skills, and experience relevant to carry out functions and obligations entrusted to them, and guarantee due performance of these obligations. The warranty referred to in the previous sentence refers especially to reputation, fairness and truthfulness of the relevant person and the ability to handle the bank's affairs in a prudent and stable manner.
2. Number of functions of a member of the management board or the supervisory board, performed simultaneously by the member of the management board or the supervisory board of the bank, should depend on individual circumstances as well as on the nature, scale, and complexity of the bank's business.
3. A member of the management board or supervisory board of a significant bank may perform simultaneously not more than:
 - 1) one function of a member of the management board and two functions of a member of the supervisory board, or
 - 2) four functions of a member of the supervisory board.
4. One function referred to in paragraph 3 shall mean the following:
 - 1) function of a member of the management board or the supervisory board, performed in entities belonging to the same capital group within the meaning of Article 3.1 (44) of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, items 351, 1495, 1571, 1655 and 1680 and of 2020, item 568);
 - 2) function of a member of the management board or the supervisory board performed in:
 - a) entities covered with the same institutional protection scheme fulfilling the conditions referred to in Article 113.7 of Regulation No. 575/2013, or
 - b) entities in which the bank has a qualifying holding referred to in Article 4.1 (36) of Regulation No. 575/2013.
5. The provision of paragraph 3 shall not be applied to the functions performed by a member of the management board or the supervisory board of the bank in entities which do not pursue business activity, as well as to State Treasury representatives.

6. Upon request of the supervisory board, the Polish Financial Supervision Authority - taking account, in particular, of the scope, scale, and complexity of the bank's business - may grant authorisation for a member of the management board or supervisory board of a significant bank to perform one additional function of a member of the supervisory board above the limitations provided for in paragraphs 3 and 4 if this does not jeopardise due performance of the obligations entrusted to the member of the management board or the supervisory board at the bank. The Polish Financial Supervision Authority shall advise the European Banking Authority of the authorisations granted.

7. Members of the management board and the supervisory board of the bank are obliged to perform their functions in a fair and reliable manner and follow the principle of independent judgement, in order to ensure effective evaluation and verification of decisions taken and implemented in connection to the ongoing management of the bank.

8. The bank is obliged to ensure means necessary to prepare members of the management board and the supervisory board to perform their functions, as well as means necessary to provide training to them.

9. When selecting candidates for members of the management board or the supervisory board of a bank, the competent authority of the bank shall take into account features and competences important to ensure the correct implementation of tasks by the management board or the supervisory board.

10. In order to ensure prudent and stable management of the bank, the bank identifies key functions at the bank, other than those listed in paragraph 1, where the extent of obligations, powers and responsibility allows to exert a significant influence on bank management. The bank ensures that persons holding these functions meet the requirements laid down in paragraph 1.

11. The bank shall request a candidate for a member of the management or supervisory board and a person applying for any other key function at the bank to submit:

1) documents or declarations concerning:

- a) change of forename, surname or citizenship,
- b) financial situation and assets held;

2) information necessary to assess compliance with the conditions laid down in paragraph 1, related to:

- a) address of temporary or permanent residence,
- b) education, profession, skills and professional experience, including employment history, completed trainings, place of work and position as well as functions held in the bodies of financial sector entities,
- c) criminal proceedings and proceedings concerning fiscal offences pending against a candidate for a member of the management or supervisory board or a person applying for any other key function at the bank,
- d) administrative sanctions imposed,
- e) administrative sanctions imposed on other entities in relation to the extent of responsibilities of a candidate for a member of the management or supervisory board or a person applying for any other key function at the bank,
- f) court proceedings that may have an adverse impact on the reputation of a candidate

for a member of the management or supervisory board or a person applying for any other key function at the bank, and administrative, disciplinary or enforcement proceedings to which that candidate was or is a party,

g) proficiency in Polish and foreign languages,

h) the manner of conduct in life, in the environment and in professional relations as well as conduct towards persons aggrieved due to their actions.

12. The personal data referred to in paragraph 11 shall be retained no longer than for a period of 25 years.

Article 22b.

1. The president of the bank's management board and the member of the bank's management board referred to in Article 22a.4 shall be appointed, and the function of a member of the management board of the bank referred to in that provision shall be entrusted to the appointed management board member, upon approval of the Polish Financial Supervision Authority. The approval shall be applied for by the supervisory board.

2. Together with the application referred to in paragraph 1, the supervisory board of the bank shall provide information and statements of the persons indicated in this provision, covering the last 5 years and concerning:

1) identity of these persons;

2) knowledge, skills, and experience of these persons, and in particular education, professional history and professional trainings completed;

3) functions performed in bodies of other entities;

4) criminal record of these persons as well as criminal proceedings and fiscal proceedings carried out against them;

5) administrative penalties imposed on these persons or other entities in connection with the scope of responsibility of these persons;

6) court proceedings which can negatively influence the financial condition of these persons, as well as administrative, disciplinary, and execution proceedings in which these persons acted or are acting as a party;

7) command of the Polish language;

8) other circumstances which can influence the assessment whether these persons fulfil the requirements defined in Article 22aa.

3. The Polish Financial Supervision Authority shall refuse to grant the approval referred to in paragraph 1 if the person subject to the approval:

1) does not meet the requirements defined in Article 22aa;

2) was sentenced for a deliberate criminal offence or a fiscal offence, except for criminal offences prosecuted under private indictment;

3) failed to fulfil the obligation referred to in Article 138.4a - in the case of a person performing the function of a member of the management board of a bank;

4) does not have a documented command of the Polish language.

4. The Polish Financial Supervision Authority shall waive, by way of a decision issued upon request of the supervisory board of the bank, the requirement concerning the evidenced

command of Polish referred to in paragraph 3 (4), if the requirement does not have to be fulfilled from the point of view of prudential supervision, taking into account, in particular, the acceptable level of risk or the scope of the bank's business.

5. (repealed).

6. If the premises defined in paragraph 3 are not satisfied, the provision of paragraph 1 shall not be applied to the appointment, for another term of office, of the persons listed in paragraph 1 as well as to the appointment, to the composition of the first management board of a bank, of the persons approved in the authorisation to establish that bank.

7. The decision referred to in paragraph 1 may define a time limit for appointment or entrusting of the function, referred to in paragraph 1. If the time limit is not observed, the decision shall expire. The provision of Article 162 § 3 of the Code of Administrative Procedure shall not be applied.

Article 22c.

1. Minutes of the general meeting are drawn up in accordance with Article 421 of the Code of Commercial Companies and Partnerships, and should include:

- 1) the text of the motions lodged during the meeting;
- 2) the name and surname of a person who lodges a motion;
- 3) the name and surname or business name of a person on whose behalf a motion is lodged;
- 4) the decision on a motion.

2. The minutes referred to in par. 1 should be presented to the Polish Financial Supervision Authority within 14 days from the date the general meeting is closed.

Article 22d.

1. If a member of the supervisory board or the management board of a bank does not meet the requirements defined in Article 22aa, the Polish Financial Supervision Authority may apply to the competent authority for dismissal of such a member.

2. The Polish Financial Supervision Authority may suspend in duties a member of the supervisory board or the management board of the bank referred to in paragraph 1 until the competent authority of the bank adopts a resolution on the application for dismissal of the member in consideration.

3. The supervisory board may delegate its member for a period not longer than three months to act temporarily as the suspended member of the management board.

Article 23.

(repealed).

Article 24.

(repealed).

Article 25.

1. Any entity intending to acquire or take up, directly or indirectly, the shares or rights attached to shares of a domestic bank, in the quantity allowing them to achieve or exceed the threshold of, respectively, 10%, 20%, one-third, or 50% of the total vote at the general meeting or of the bank's share capital, shall in each case notify the Polish Financial Supervision Authority of the intended acquisition or taking-up. Any entity intending to become, directly or indirectly, a parent undertaking of a domestic bank other than by way of acquisition or taking-up of the shares or rights attached to shares of a domestic bank in the quantity allowing them to hold the majority of votes at the general meeting, shall in each case notify the Polish Financial Supervision Authority of this intention.

1a. A bank whose shares were admitted to trading on a regulated market shall advise the Polish Financial Supervision Authority of the shareholders holding shares or rights on shares in the amount referred to in paragraph 1, including names and surnames or company names of the shareholders and the number of shares or rights on shares held by them, at least once every 12 months.

2. A parent undertaking of an entity that directly becomes a parent undertaking of a domestic bank or directly acquires or takes up the shares or rights attached to shares of a domestic bank, or that takes action in order to become the parent undertaking of an entity that is a parent undertaking of a domestic bank or holds shares or rights attached to shares of a domestic bank, is considered to be an entity that indirectly becomes a parent undertaking of a domestic bank or that indirectly acquires or takes up the shares or rights attached to shares of a domestic bank.

3. If an entity that intends:

1) to directly acquire or take up the shares or rights attached to shares of a domestic bank, or to become a parent undertaking of a domestic bank, is a subsidiary - then the notification should be provided by that entity only, together with its original parent undertaking;

2) to indirectly acquire or take up the shares or rights attached to shares of a domestic bank, or to become a parent undertaking of a domestic bank, is a subsidiary - then the notification should be provided by its original parent undertaking only.

4. The obligation referred to in par. 1 also applies to:

1) any pledgee or usufructuary of shares, if they are entitled to exercise the voting rights attached to shares in accordance with Article 340 § 1 of the Code of Commercial Companies and Partnerships;

2) any entity that acquired the right to vote at the general meeting, having achieved the thresholds referred to in par. 1, other than by way of acquisition or taking-up of the shares or rights attached to shares of a domestic bank, including, in particular, by way of an amendment of the articles of association, or expiry of the preference or limitation of the voting rights carried by the shares, and as a result of an acquisition or taking-up of the shares or rights attached to shares of a domestic bank in the quantity allowing them to achieve or exceed the thresholds of the total vote at the general meeting or share capital referred to in par. 1, by way of succession.

5. In the case referred to in par. 4, the obligation to notify exists before any voting rights

carried by the shares or any rights of a parent undertaking of a domestic bank are exercised. The provisions of Articles 25a-25n apply accordingly.

6. The provisions of par. 2 and 3 apply accordingly to the entities referred to in par. 4.
7. The provisions of par. 1-6 and 9 apply accordingly if two or more entities act in agreement as to the exercise of the voting rights carried by the shares at the thresholds referred to in par. 1, or the exercise of the rights of a parent undertaking of a domestic bank.
8. In the case referred to in par. 7, all parties to the agreement submit the notification jointly.
9. The provision of paragraph 1 shall not apply where the acquisition or taking up of shares of a domestic bank is carried out by a domestic bank, credit institution, brokerage house or investment company registered in another Member State, in the performance of an issue guarantee agreement referred to in Article 14a.5 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (*Dziennik Ustaw* 2019, items 623, 1655, 1798, and 2217), if:
 - 1) rights attached to shares are not exercised in order to influence the management of a domestic bank, and
 - 2) shares of the domestic bank are transferred within one year from the date of their acquisition or taking-up.

Article 25a.

1. The entity that submits the notification referred to in Article 25.1 also submits the information on the shares or rights attached to shares of a domestic bank referred to in Article 25.1, held directly or indirectly, as well as on the parent undertakings of that entity and any agreements concluded by that entity, and on the factual and legal background of that entity enabling any other entities to exercise the rights attached to shares of a domestic bank or to exercise the rights of a parent undertaking of a domestic bank.
2. In the notification, the entity referred to in par. 1 specifies the methods for the implementation of the intended acquisition or taking-up of shares or rights attached to shares to which the notification applies, and presents the evidence to confirm that intention, including, in particular, the relevant contract or agreement, and if the shares or rights attached to shares are to be acquired or taken up in a regulated market - the relevant statement to that effect.
3. If the notifying entity is:
 - 1) an insurance or reinsurance undertaking, credit institution, investment company, management company, or EU managing person, licensed to pursue their activities in a Member State, or
 - 2) a parent undertaking, or an entity with a relation similar to that of a parent undertaking, of an insurance or reinsurance undertaking, credit institution, investment company, management company, or EU managing person, licensed to pursue their activities in a Member State- then the notification shall contain appropriate information about that fact, specifying in particular the name and registered office of the insurance or reinsurance undertaking, credit institution, investment company, management company, or EU managing person referred to

in subparagraph (2); in the absence of the circumstances referred to in subparagraphs (1) and (2), the notification shall contain an appropriate statement to that effect.

Article 25b.

1. The entity submitting the notification referred to in Article 25.1 presents the following information together with the notification:

- 1) identification of the notifying entity, the persons managing that entity, and the persons to be appointed members of the management board of a domestic bank - if any changes in the composition of the management board are planned by the notifying entity;
- 2) identification of the domestic bank referred to in Article 25.1;
- 3) professional, business, or statutory activity of the notifying entity and of the persons referred to subparagraph (1), including, in particular, the objects, scope, and principal place of business, the previous track record, as well as education of the notifying entity who is a natural person, and of the persons referred to in subparagraph (1);
- 4) the capital group of the notifying entity, including, in particular, its structure, members, factual and legal capital relations, financial links, and personal relations to other entities;
- 5) the economic and financial situation of the notifying entity;
- 6) conviction for a crime of fiscal offence, conditionally discontinued proceedings or disciplinary proceedings ending up in a penalty, as well as any other finished administrative and civil proceedings concerning the notifying entity or the persons referred to in subparagraph (1), that could influence the assessment of the notifying entity according to the criteria referred to in Article 25h.2;
- 7) any criminal proceedings in progress in relation to a crime committed with intent, with the exception of offences subject to private prosecution, or proceedings in relation to a fiscal offence, as well as any other pending administrative, disciplinary and civil proceedings that could influence the assessment of the notifying entity according to the criteria referred to in Article 25h.2, instituted against the notifying entity or the persons referred to in subparagraph (1), or any proceedings relating to the activities of that entity or those persons;
- 8) any actions taken to acquire or take up shares or rights attached to shares in the quantity that allows that entity to achieve or exceed the thresholds referred to in Article 25.1, or to become a parent undertaking of a domestic bank, including, in particular, the target share in the total vote at the general meeting of a domestic bank, the related rights, the methods and sources of financing of the acquisition or taking-up of such shares or rights attached to shares, the related agreements and contracts, as well as any actions taken in agreement with other entities;
- 9) plans of the notifying entity regarding the future activities of a domestic bank, especially as regards its marketing, operations, and finance, as well as organisation and management, having regard to the obligations referred to in Article 25h.3.

2. Information on qualifications and professional experience, and the information referred to in paragraph 1 (6) and (7), is not required in respect of the notifying entity and the persons involved in its management, if the notifying entity is a domestic bank, credit institution,

insurance or reinsurance undertaking, brokerage house, investment company, management company, or EU managing person, licensed to pursue their activities in a Member State, provided that this fact is indicated in the notification.

3. The competent minister in charge of financial institutions shall define, by regulation, the documents that need to be attached to the notification in order to present the information referred to in par. 1, having regard to the need to ensure that the required information is proportional to the influence the notifying entity intends to acquire over the management of a domestic bank.

Article 25c.

1. The notification and the attached documents should be drawn up in the Polish language or translated into the Polish language. The translation should be prepared by a certified translator or the competent consul of the Republic of Poland.

2. Before they are translated, any official documents should be legalised by the consul of the Republic of Poland. Legalisation is not applied if otherwise provided for in an international agreement signed by the Republic of Poland as a party thereto.

Article 25d.

In justified cases, in particular when preparation of the necessary documents is not provided for in the national regulations of a given country, the notifying entity or an interested person may submit, instead of those documents, a relevant statement containing the required information.

Article 25e.

1. A notifying entity referred to in Article 25.1 with its place of residence or registered office outside of the Republic of Poland appoints an agent for service of process during the proceedings to which the notification applies.

2. If the obligation referred to in par. 1 is not satisfied, any notices in the course of the proceedings are filed with the case records and considered served, with the exception of a final decision in the proceedings to which the notification applies. The Polish Financial Supervision Authority informs the notifying entity in writing of the notices considered served, as referred to in the previous sentence.

Article 25f.

If the entity submitting the notification referred to in Article 25.1 is an entity referred to in Article 25a.3 (1) or (2), the Polish Financial Supervision Authority shall apply in writing to the competent supervisory authorities for the information specified in Article 25h.2, in order to determine whether or not the circumstances referred to in Article 25h.1 (3) have occurred.

Article 25g.

1. Immediately after receiving the notification but not later than within 2 working days, the Polish Financial Supervision Authority will confirm the receipt thereof in writing.

2. If the notification is found incomplete or if the required information or documents are

missing, the Polish Financial Supervision Authority will request the notifying entity to complete the notification by the prescribed date.

3. Immediately after receiving the additional information or documents, but not later than within 2 working days, the Polish Financial Supervision Authority will confirm the receipt thereof in writing.

4. Along with the confirmation of receipt of the notification and all the required information and documents, the Polish Financial Supervision Authority shall inform the notifying entity of the time limit for the service of a decision relating to the objection referred to in Article 25h.1.

5. By the end of the 50th working day of the time limit for the service of a decision relating to the objection, the Polish Financial Supervision Authority may request the notifying entity in writing for any additional information or documents as may be required, to be presented within 20 working days from the date of that request, and if:

1) the notifying entity has its place of residence or registered office in a non-Member State, or it is supervised by supervisory authorities of a non-Member State, or

2) the notifying entity is not subject to insurance supervision, capital market supervision, or banking supervision performed by supervisory authorities of a Member State

- within the prescribed period, not shorter than 20 working days and not longer than 30 working days from the date of the notification having been received, specifying the scope of the required information or documents.

6. If the request referred to in par. 5 is received, the time limit for the service of a decision relating to the objection is suspended from the date the request is sent, until the date when the requested information or documents are received, but not longer than until the final date for the presentation of the requested information or documents.

7. The Polish Financial Supervision Authority confirms the receipt of the information or documents referred to in par. 5 in writing, not later than within 2 working days from their receipt.

8. In the case of any subsequent requests for additional information or documents from the Polish Financial Supervision Authority, the time limits for the presentation of information and documents referred to in par. 5 do not apply. Such requests do not result in the suspension of the time limits for the service of a decision relating to the objection.

Article 25h.

1. The Polish Financial Supervision Authority will make its objection to the planned acquisition or taking up of shares or rights attached to shares, or to an entity becoming a parent undertaking of a domestic bank, by decision, if:

1) the notification is not completed or the required information or documents are not attached to the notification by the notifying entity by the prescribed date;

2) additional information or documents requested by the Polish Financial Supervision Authority are not provided by the notifying entity by the prescribed date;

3) it is justified by the need to ensure the sound and prudent management of a domestic bank, considering the potential influence of the notifying entity on that domestic bank or

the assessment of the financial situation of the notifying entity.

2. When determining whether or not the circumstances referred to in par. 1 (3) exist, the Polish Financial Supervision Authority examines whether the notifying entity:
 - 1) gives a guarantee that its rights are exercised and its obligations are performed in such a manner as to ensure that interests of the clients of that domestic bank are adequately protected and that the funds deposited in the domestic bank are safe;
 - 2) persons who will hold positions of members of the supervisory board and the management board in the bank fulfil the requirements defined in Article 22aa;
 - 3) is in good financial condition, especially in relation to the current scope of its activities and the impact of the implemented investment plans on the future financial situation of the notifying entity and of the domestic bank;
 - 4) ensures that the domestic bank will satisfy prudential requirements resulting from legal regulations, including own funds requirements, liquidity standards, internal control, risk management and - in particular - that the structure of the group of which the bank will become a part will enable efficient supervision and effective exchange of information between competent supervisory authorities as well as determination of jurisdiction of such authorities;
 - 5) has demonstrated that the funds related to the acquisition or taking up of shares or rights attached to shares, or to any other actions taken in order to become a parent undertaking of a domestic bank, which will result in that domestic bank becoming a subsidiary undertaking, do not come from any illegal or undisclosed sources, and are not connected with the financing of any terrorist activity, and that the intended acquisition or taking up of shares or rights attached to shares and any other actions taken in order to become a parent undertaking will not increase the risk of committing an offence, or the risk of any other acts involving the introduction of funds from illegal or undisclosed sources to the market, or the financing of terrorist activity.
3. When performing the assessment referred to in par. 1 (3), the Polish Financial Supervision Authority specifically considers the undertakings assumed by the notifying entity in the course of the proceedings, with regard to the domestic bank or the sound and prudent management of that bank.
4. Within the time limit referred to in Article 25i.1, the Polish Financial Supervision Authority may issue a decision that there are no grounds for the objection, if it finds that the circumstances referred to in par. 1 do not exist.
5. When issuing the decision referred to in par. 4, the Polish Financial Supervision Authority may determine the date of the acquisition or taking up of shares or rights attached to shares, or of acquiring the rights of the parent undertaking of a domestic bank.
6. The time limit referred to in par. 5 may be extended *ex officio* or at the request of the notifying entity.

Article 25i.

1. The decision relating to the objection referred to in Article 25h.1 is served by the Polish Financial Supervision Authority within 60 working days from the date of receiving the

notification and all the required information and documents, not later than within 2 working days from the date of that decision being issued.

2. The time limits for the service of the final decision in the proceedings relating to the objection are considered respected if the decision is posted at any Polish post office of a designated public operator, within the meaning of the Postal Law Act of 23 November 2012 (Journal of Laws of 2020, item 1041), prior to the expiry of those time limits.

Article 25j.

The notifying entity may pursue the intended activities covered by the notification if the decision relating to the objection referred to in Article 25i.1 is not served by the Polish Financial Supervision Authority within 60 working days, or if the Polish Financial Supervision Authority has issued a decision that there are no grounds for the objection before the expiry of that time limit.

Article 25k.

If a decision relating to the objection is repealed by an administrative court, the period referred to in Article 25i.1 runs from the date when a final and non-appealable judgment of the administrative court is served to the Polish Financial Supervision Authority.

Article 25l.

1. Where shares or rights attached to shares are acquired or taken up:

- 1) in contravention of the provisions of Article 25.1, or
- 2) in spite of an objection made by the Polish Financial Supervision Authority, as referred to in Article 25h.1, or
- 3) before the expiry of the period during which an objection may be made by the Polish Financial Supervision Authority, as referred to in Article 25h.1, or
- 4) after the final date for the acquisition or taking up of shares or rights attached to shares, as referred to in Article 25h.5, set by the Polish Financial Supervision Authority

- the voting rights carried by such shares cannot be exercised, subject to the provisions of Article 25m.

2. Where the rights of the parent undertaking of a domestic bank are exercised:

- 1) in contravention of the provisions of Article 25.1, or
- 2) if the objection referred to in Article 25h.1 is made by the Polish Financial Supervision Authority, or
- 3) before the expiry of the period during which an objection may be made by the Polish Financial Supervision Authority, as referred to in Article 25h.1, or
- 4) where those rights were gained after expiry of the period referred to in Article 25h.5

- members of the management board of a domestic bank who were appointed by the parent undertaking, or who are management board members, representatives, or holders of management functions in the parent undertaking, cannot participate in any activities relating to the representation of the domestic bank; if it cannot be determined which members of the

management board were appointed by the parent undertaking, appointment of the management board is not effective until that entity acquired the rights of the parent undertaking of that domestic bank, subject to the provisions of Article 25m.

3. Resolutions of the management board of a domestic bank, adopted in contravention of the provisions of par. 1, are invalid, unless they satisfy the requirements of a quorum and the majority of votes cast, excluding invalid votes. In the cases referred to in par. 1, the Polish Financial Supervision Authority shall also have the right to bring an action before a court to declare a resolution of the general meeting invalid. The provisions of Article 425 of the Code of Commercial Companies and Partnerships apply accordingly.

4. Any actions relating to the representation of a domestic bank, taken with the involvement of members of the management board in contravention of the provisions of par. 2, are invalid. The provision of Article 58 § 3 of the Civil Code applies accordingly.

5. In the case referred to in par. 1 or 2, the Polish Financial Supervision Authority may, by decision, order that shares of a domestic bank are transferred by the prescribed date.

6. If the shares are acquired or taken up in breach of the provision of paragraph 1 or are not disposed of within the period referred to in paragraph 5, the Polish Financial Supervision Authority may impose on a shareholder of a domestic bank who is a natural person a financial penalty up to the amount of PLN 20,000,000, and on a shareholder who is a legal person a financial penalty of up to 10% of the revenues disclosed in the most recent approved financial statements, and in the absence of such statements - a financial penalty of up to 10% of the forecast revenues determined on the basis of the economic and financial condition of the shareholder. If it is possible to determine the amount of benefit achieved by the shareholder or the loss avoided by the shareholder as a result of the breach, the financial penalty may be equal to twice the amount of the benefit or loss. The Polish Financial Supervision Authority may also establish receivership for a domestic bank or cancel the authorisation for setting up the bank, or take a decision to put the bank into liquidation. Provisions of Articles 145, 147.3, and Articles 153 to 156 shall be applied accordingly.

7. When setting the amount of the financial penalty referred to in paragraph 6, the Polish Financial Supervision Authority shall take into account, in particular, the scope and severity of breach, previous infringements of provisions of the Act by the shareholder, and their financial condition.

8. If the shareholder is a subsidiary undertaking, the revenues referred to in paragraph 6 shall be assumed in the amount of revenues for the prior financial year as disclosed in the consolidated financial statements of the parent undertaking for that year at the highest consolidation level.

Article 25m.

In certain cases, if required in the best interest of the clients of a domestic bank, and if the applicant is able to demonstrate that the circumstances referred to in Article 25h.1 (3) do not exist, the Polish Financial Supervision Authority may, by decision issued at the request of a shareholder or parent undertaking of a domestic bank, waive the limitations referred to in Article 25l.1 or 25l.2. Along with that request, the applicant will present the information referred to in Article 25b.1.

Article 25n.

1. Where justified by the need to ensure the prudent and sound supervision of a domestic bank, having regard to the financial situation of the entity, including the founder of that domestic bank, that has acquired, directly or indirectly, the right to vote at the general meeting within the thresholds referred to in Article 25.1, or has become a parent company of a domestic bank, directly or indirectly, or considering the potential influence of that entity on the bank, and, in particular, where it is found that the entity does not satisfy the obligations referred to in Article 25h.3 or the obligations referred to in Article 30.1b, the Polish Financial Supervision Authority may, by decision, prohibit the exercise of the voting rights carried by the shares of a domestic bank and held by that entity, or the exercise of the rights of a parent undertaking held by that entity. When assessing whether or not that prohibition is justified, the provisions of Article 25h.2 and 25h.3, and of Article 30.1b, apply accordingly.

2. A resolution of a general meeting of a domestic bank is invalid if it was adopted as a result of the exercise of the voting rights carried by shares in respect of which the Polish Financial Supervision Authority has issued the decision referred to in par. 1, unless that resolution satisfies the requirements of the quorum and the majority of votes cast, excluding invalid votes. The Polish Financial Supervision Authority shall also have the right to bring an action before a court to declare a resolution invalid. The provisions of Article 425 of the Code of Commercial Companies and Partnerships apply accordingly.

3. Where the Polish Financial Supervision Authority has issued a decision to prohibit the exercise of rights of a parent undertaking, in accordance with the provisions of par. 1, the provisions of Article 25l.2 and 25l.4 apply accordingly.

4. If the decision referred to in par. 1 is issued, the Polish Financial Supervision Authority may, by decision, order that shares are transferred by the prescribed date.

5. If the shares are not disposed of within the time frame referred to in paragraph 4, the provisions of Article 25l. 6 and 25l.7 shall be applied accordingly.

5a. If the entity referred to in Article 25.1 or a founder of a domestic bank purchased or took up the shares or rights attached to shares referred to in Article 25.1 and does not observe the obligation referred to in Article 25h.3 or Article 30.1b, the Polish Financial Supervision Authority may, by way of a decision, impose a financial penalty on this entity or founder of a domestic bank, in the amount corresponding up to the value of these shares or rights attached to these shares. The value of the shares or rights attached to shares shall be determined as at the date of their purchase or takeover in accordance with the fair value referred to in the Accounting Act of 29 September 1994.

5b. The decision referred to in paragraph 5a shall be enforceable immediately.

5c. In the decision referred to in paragraph 5a, the Polish Financial Supervision Authority may determine that the financial penalty shall be payable in monthly instalments.

5d. If the entity referred to in Article 25.1 or a founder of a domestic bank meets the obligation referred to in Article 25h.3 or Article 30.1b prior to the deadline indicated in the decision referred to in paragraph 5a, the Polish Financial Supervision Authority shall issue a decision on remitting the financial penalty referred to in paragraph 5a:

1) in full or

2) in part corresponding to unpaid future instalments - in the case defined in paragraph 5c.

6. At the request of a shareholder or a parent undertaking, the Polish Financial Supervision Authority will repeal the decision issued in accordance with the provisions of par. 1 if the circumstances justifying that decision have ceased to exist.

7. The provisions of par. 1-6 apply accordingly in the case referred to in Article 25.7 to entities that are parties to the agreement referred to therein.

Article 25na.

In the case of an outstanding financial penalty referred to in Article 25n.5 or Article 25n.5a, the Polish Financial Supervision Authority may order the bank in which the entity upon which the penalty was imposed is a shareholder, to transfer all payments made by the bank to this shareholder to the outstanding penalty, to the amount corresponding to said penalty and interest thereon.

Article 25o.

The entity that has acquired or taken up, directly or indirectly, the shares or rights attached to shares of a domestic bank, in a number allowing that entity to achieve or exceed the threshold of 5%, 10%, 20%, 25%, one-third, 50%, 66% and 75% of the total vote at the general meeting, together with the shares acquired or taken up earlier, or that has become a parent undertaking of a domestic bank, is under the obligation to notify that domestic bank thereof, immediately and in each case. The bank shall notify the Polish Financial Supervision Authority of the case referred to in the first sentence immediately after receiving such information. Where the articles of association of a domestic bank provide for any preference or limitation of voting rights carried by shares, the notification should also specify the holding in the share capital of that bank, in the amount corresponding to the thresholds specified in the first sentence and the corresponding number of votes without any preferences or limitations. The provisions of Article 25.2 to 25.7 apply accordingly

Article 25p.

1. An entity intending to dispose, directly or indirectly, its domestic bank's shareholding where:

1) the shareholding in question entitles to exercise over 10% of voting rights at the general meeting,

2) the proportion of shares remained after the disposal will entitle that entity to less than 10%, 20%, one third, and 50% of voting rights at the general meeting

- shall be required to notify the Polish Financial Supervision Authority of their intentions. Where domestic bank's articles of association provide for any voting preference or limitation attached to shares, the notification shall also concern the share in the share capital in the amount specified in the first sentence and the corresponding number of votes without preference or limitation. An entity which has become, directly or indirectly, the parent undertaking of a domestic bank in another manner than by acquisition or taking-up of shares or rights on shares of the domestic bank in a number ensuring majority of voting rights at the

general meeting shall be each time obliged to notify the Polish Financial Supervision Authority of their intentions to undertake activities leading to loss of the parent undertaking status. The provisions of Article 25.2 to 25.7 shall be applied accordingly.

2. The Bank shall notify the Polish Financial Supervision Authority of any case of disposal of shares or loss of the parent undertaking status referred to in paragraph 1, immediately after becoming aware of it.

3. If the obligation referred to in paragraph 1 is infringed, the provisions of Article 251.6 and 251.7 shall be applied accordingly.

Article 25r.

The obligations referred to in Articles 25o and 25p.1 shall apply accordingly in the case of acquisition or disposal of bonds convertible into shares in a domestic bank, depositary receipts and also any other securities to which the right or obligation to acquire shares in a domestic bank is attached.

Article 25s.

The provisions of Articles 25-25r apply accordingly to co-operative banks being co-operatives of legal entities, whose statutes specify a different principle for the determination of the number of votes held by the co-operative members, other than the principle defined in Article 36 § 3, the first sentence, of the Co-operative Law Act.

Article 26.

(repealed).

Article 26a.

(repealed).

Article 26b.

(repealed).

Article 26c.

(repealed).

Article 27.

1. The acquisition or holding of shares by a subsidiary is deemed to be the acquisition or holding of shares by a parent undertaking.

2. The provisions of this Act do not contravene the provisions of Chapter 4 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

Article 28.

1. Shares of banks are registered shares, with the exception of shares dematerialised in accordance with the Financial Instruments Trading Act of 29 July 2005. Approval of the Polish Financial Supervision Authority is required for the transfer of registered shares by shareholders within one year from the date of the bank's registration in the register of entrepreneurs.
2. In the event of exclusion or withdrawal of shares of a bank from trading on a regulated market in accordance with the provisions of the Act of 29 July 2005 on Trading in Financial Instruments or the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, bearer shares shall be exchanged with registered shares.
3. The provisions of Article 336 § 1 and 2 of the Code of Commercial Companies and Partnerships do not apply to shares of a domestic bank taken up by its founder in the case referred to in Article 42a.

Article 29.
(repealed).

D.

Proceedings relating to the establishment of banks

Article 30.

1. A bank may be established if:
 - 1) it is ensured that the bank will have:
 - a) its own funds in an amount sufficiently large for the types of banking operations to be performed and the scope of the planned activities,
 - b) premises fitted with the appropriate technical equipment necessary to ensure adequate protection of the values deposited in the bank, corresponding to the scope and type of the banking activities;
 - 2) the founders give adequate guarantee of the sound and prudent management of the bank, persons proposed for members of the bank's supervisory board and management board meet the requirements defined in Article 22aa, and the members of the management board referred to in Articles 22a.3 and 22a.4 have a proven command of the Polish language;
 - 3) (repealed);
 - 4) the plan of the bank's activity for at least three years, presented by the bank's founders, indicates that this activity will ensure security of the funds deposited in the bank.
- 1a. By decision issued at the request of the bank's founders, the Polish Financial Supervision Authority will waive the requirement regarding the proven knowledge of the Polish language, as referred to in par. 1 (2), if it is not necessary for the purposes of prudential supervision, considering, in particular, the acceptable risk level or scope of the bank's activities.
- 1b. When performing, in the process of authorising the establishment of a bank, the

assessment of whether the founders satisfy the guarantee requirement referred to in paragraph 1 (2), the Polish Financial Supervision Authority shall take into consideration, in particular, the criteria defined in Article 25h.2 as well as commitments made by the founders in connection with the establishment of the bank or sound and prudent management of that bank.

2. A portion of the bank's initial capital may be contributed in the form of non-cash contributions, such as equipment and immovable property, if they are of direct use in banking activities, but the amount of cash contributions in the bank's initial capital cannot be lower than the amount referred to in Article 32.1, and the value of non-cash contributions cannot exceed 15% of total initial capital.

3. (deleted).

4. In certain justified cases, the Polish Financial Supervision Authority may grant consent for the limits referred to in par. 2 to be exceeded.

5. The bank's initial capital cannot be derived from a loan or credit, or from any undocumented sources.

Article 30a.

A bank in the form of a joint-stock company and a co-operative bank may be established after obtaining a licence from the Polish Financial Supervision Authority.

Article 31.

1. An application to the Polish Financial Supervision Authority for a licence to establish a bank should contain:

1) the bank's name and registered office;

2) defining banking activities to which the bank is to be entitled, and data on the subject and scope of the intended activities, including defining the activities referred to in Article 69.2 (1) to (7) of the Act of 29 July 2005 on Trading in Financial Instruments, which the bank intends to perform in accordance with Article 70.2 thereof;

3) information regarding:

a) the founders and persons proposed for members of the bank's management board and supervisory board,

b) initial capital.

2. The following documents should be attached to the application:

1) the draft articles of association (statute) of the bank;

2) the programme of activities and financial plan of the bank for at least three years;

3) documents on the bank's founders and their financial condition, including statements submitted by them in this scope;

3a) (repealed);

4) the opinion of the competent supervisory authorities of the country where the registered office of the applicant is located, if a foreign bank is the bank's founder.

3. Draft articles of association (statute), referred to in par. 2 (1), should specify, in particular:

- 1) the business name, which should include a separate word "bank" and be different from the names of other banks, and should indicate whether it is a state-owned bank, a co-operative bank, or a bank in the form of a joint-stock company;
 - 2) the registered office, objects and scope of activities of the bank, including the operations referred to in Article 692 (1)-(7) of the Financial Instruments Trading Act of 29 July 2005, to be performed by the bank in accordance with Article 70.2 thereof;
 - 3) bank authorities and their competencies, including, in particular, the powers of members of the management board referred to in Article 22b.1, and the principles for decision making, the bank's basic organisational structure, the principles for making statements regarding the property rights and obligations, the procedure for adopting internal regulations and for taking decisions related to the bank's commitments and disposals of assets of the total value, in respect of one entity, exceeding 5% of the bank's own funds;
 - 4) principles of functioning of the management system, including the internal control system;
 - 5) the bank's own funds and financial management principles.
4. If more than 10 founders file an application for a licence to establish a bank, such founders shall appoint 1-3 persons as their attorneys to represent them in contacts with the Polish Financial Supervision Authority until the licence is granted. The power of attorney should be drawn up in the form of a notarial deed.

Article 31a.

The statements referred to in Articles 22b.2 and 31.2 (3) shall be submitted under pain of criminal liability. The person submitting the statement is obliged to include a following clause in it: "I am aware of criminal prosecution for a false statement.". This clause shall replace the advice of a criminal prosecution for perjury, given by an authorised body.

Article 31b.

The minister responsible for financial institutions shall define, by way of a regulation:

- 1) the detailed scope of the information referred to in Article 22a.2,
 - 2) documents that should be enclosed with the application referred to in Article 22b.1 to present the information defined in Article 22b.2,
 - 3) the list of documents referred to in Article 31.2 (3)
- having regard to the need of ensuring the access of the Polish Financial Supervision Authority to the data necessary to appropriately exercise supervision, including the assessment of whether the statutory requirements are fulfilled by the founders and members of the bank's bodies, as well as examination of the financial condition of the founders.

Article 32.

1. The initial capital contributed by founders of a bank, subject to the provisions of par. 2, cannot be lower than the equivalent of EUR 5,000,000 converted to PLN at the average exchange rate announced by the National Bank of Poland on the date when the licence to

establish a bank is granted.

2. In the case of co-operative banks whose founders express an intention to conclude an affiliation agreement, in accordance with the Act on the operations and affiliation of co-operative banks and on affiliating banks, their initial capital cannot be lower than the equivalent of EUR 1,000,000 converted to PLN at the average exchange rate announced by the National Bank of Poland on the date when the licence to establish a bank is granted.
3. The initial capital of a bank contributed in the form of cash contributions must be paid by the founders in the Polish currency to an account in a domestic bank, opened specifically for the purpose of making contributions to the bank's initial capital.
4. The full amount of the initial capital of a bank established in the form of a joint-stock company and a co-operative bank should be paid up before the bank is registered in an appropriate register.
5. Payment of the initial capital of a state-owned bank and appropriation of other funds from the State Treasury as a contribution to the initial capital should be made before the state-owned bank applies to the Polish Financial Supervision Authority for a licence to commence its activities.

Article 33.

1. The Polish Financial Supervision Authority shall:
 - 1) call on the founders to complete an application that fails to fulfil the requirements referred to in Article 31, and may request any additional data or documents relating specifically to the founders or persons to be appointed members of the management board of a bank, including information regarding their financial and family situation, if that information is necessary to reach a decision on whether or not to grant the licence to establish a bank;
 - 2) issue a decision regarding the licence to establish a bank within 3 months from the date of the application having been received or completed.
2. In justified cases, the Polish Financial Supervision Authority may extend the time limit for the issue of the decision referred to in par. 1 (2) to 6 months, provided the founders are informed thereof within 3 months from the date of the application having been received or completed.

Article 34.

1. In a licence to establish a bank, the Polish Financial Supervision Authority will specify the bank's business name, registered office, names of founders and shares taken up by them, the amount of initial capital, the activity for which the bank has been licensed, and the conditions that must be satisfied, following which the Polish Financial Supervision Authority will license the bank to commence its activities and will approve the bank's draft articles of association (statute) and composition of its first management board.
2. Change of the bank's articles of association shall require permission of the Polish Financial Supervision Authority.
 - 2a. Approval of an amendment to the bank's articles of association (statute) may specify the

date by which a resolution should be adopted. If the resolution is not adopted by the prescribed date, the decision expires. The provisions of Article 162 § 3 of the Code of Administrative Procedure do not apply.

3. Provisions of Article 33 and Article 36.2a shall be applied accordingly to the application for issuing a permission to change the bank's articles of association.

Article 35.

The Polish Financial Supervision Authority may participate in the bank's registration proceedings.

Article 36.

1. A bank may commence its activities after obtaining a licence from the Polish Financial Supervision Authority.

2. Application for a licence to commence the bank's activities is filed by the bank's management board.

2a. The following shall be attached to the application:

1) documents referred to in Article 6 (c), (f), (h), and (i) of Commission Delegated Regulation (EU) 2017/1943 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms (OJ L 276, 26.10.2017, p. 4) corresponding to the scope of activities referred to in Article 69.2 (1) to (7) of the Act of 29 July 2005 on Trading in Financial Instruments that the bank intends to perform in accordance with Article 70.2 of that Act;

2) procedures and description of solutions and systems referred to in Article 16.2 of Regulation 596/2014, within the scope of activities referred to in Article 69.2 (1) to (7) of the Act of 29 July 2005 on Trading in Financial Instruments that the bank intends to perform in accordance with Article 70.2 of that Act.

3. The licence to commence the bank's activities is granted after it has been determined that the bank:

1) is sufficiently prepared to commence its activities in terms of its organisation;

2) has secured the entire amount of its initial capital;

3) has ensured suitable conditions for the safekeeping of money and other valuables, corresponding to the scope and type of banking activities;

4) satisfies other conditions defined in the decision to grant a licence to establish a bank.

3a. The Polish Financial Supervision Authority shall notify the European Banking Authority of the grant of a licence referred to in par. 1, attaching the information about its contents.

4. The bank informs the Bank Guarantee Fund of an entry in the National Court Register.

Article 37.

The Polish Financial Supervision Authority will refuse to grant a licence to establish a bank or to amend its articles of association (statute) if the requirements adopted for the establishment of banks are not satisfied or if the intended activity of the bank would be

against the law or the interests of clients, or would not guarantee the safekeeping of funds deposited in the bank, or if the provisions of the law in the country where the founder's registered office or place of residence is located, or the founder's relations to other entities, would prevent the effective supervision of the bank.

Article 38.

The licences referred to in Article 34.1 and Article 36.1 expire if the bank does not start its activities within one year from the date of obtaining the licence to establish a bank.

Article 39.

1. A licence of the Polish Financial Supervision Authority is required for the establishment of a bank abroad by a domestic bank, and establishment of a branch office of a domestic bank abroad, subject to the provisions of Articles 48a-48g.
2. An application for the establishment of a bank abroad should specify:
 - 1) the bank's name, registered office, and organisational form;
 - 2) information about the bank's founders and initial capital.
3. The following documents should be attached to the application:
 - 1) the draft articles of association (statute) and justification for the establishment of a bank abroad;
 - 2) the bank's programme of activities and financial plan for at least three years;
 - 3) information on the legal regulations in the host Member State applying to:
 - a) licences to commence the bank's activities,
 - b) tax regulations applicable to the activities of banks,
 - c) regulations on the foreign exchange transfer and on banking supervision.
4. An application for the establishment of a branch office of a bank abroad should contain justification for its establishment and the information referred to in par. 3 (3) relating to branch offices of banks, as appropriate.

Article 40.

1. The establishment of a branch of a foreign bank in Poland shall take place on the basis of an authorisation granted by the Polish Financial Supervision Authority, following an application from the bank concerned.
2. The application referred to in par. 1 should specify:
 - 1) the business name and registered office of the applicant bank and description of its activities;
 - 2) the types of banking operations covered by the licence to be granted to that branch office, and the registered office of the branch;
 - 3) the amount of funds available to the branch office;
 - 4) the data of at least 2 persons to be appointed as the director of the branch or his deputy;
 - 5) in the case of entities covered by the mandatory guarantee scheme of *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund], the conditions of access to the calculation system referred to in Article 2 (64) of the Act of 10 June 2016 on the Bank

Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring (Journal of Laws of 2020, item 842) by *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] and *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund], in particular where the guarantee condition is satisfied.

3. The application should also include draft internal regulations of the branch office and the commitment arising from the application of the foreign bank that all claims that may arise in relations between the branch office and other entities will be satisfied. The provision of Article 31.2 applies accordingly.
4. In the licence to establish a branch office of a foreign bank, the Polish Financial Supervision Authority will specifically define the registered office of the branch, the types of banking operations to which the branch office is licensed, the minimum amount of funds necessary for the branch office to operate, the conditions of access to the system of settlements performed by the Polish Financial Supervision Authority and the Bank Guarantee Fund, including, in particular, in the case when the conditions provided for in the guarantee are satisfied, and will approve draft internal regulations of the branch office. The Bank Guarantee Fund is notified by the Polish Financial Supervision Authority of the grant of licence.
5. Branch offices of foreign banks are entered in the register of entrepreneurs.
6. The provisions of Articles 32 to 38 shall accordingly apply to the procedures for establishing a branch of a foreign bank in Poland, with the reservation that the information referred to in Article 36.3a shall be forwarded by the Polish Financial Supervision Authority also to the European Commission and the European Banking Committee established by it.
7. A branch office of a foreign bank acts pursuant to the internal regulations adopted by the foreign bank.
8. Approval of the Polish Financial Supervision Authority is required for any amendments to the internal regulations referred to in par. 7.
9. The provisions of Article 34.2, 34.2a and 34.3 apply accordingly to the application for an approval to amend the internal regulations.
10. The application referred to in par. 9 is filed by a foreign bank.

Article 40a.

1. A branch office of a foreign bank shall:
 - 1) use the business name of the foreign bank in the language of the country where its registered office is located, with the legal form of the foreign bank translated into the Polish language and the phrase "branch office in Poland" (*oddział w Polsce*) in the Polish language added;
 - 2) keep separate accounts in the Polish language, in accordance with the regulations applying to domestic banks;
 - 3) act in accordance with the approved internal regulations;
 - 4) keep any documents relating to its activities in the registered office of the branch.
- 1a. A foreign bank branch not being an entity covered by the guarantee scheme within the

meaning of Article 2 (41) of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring shall notify - in the same manner in which information on its services is provided - persons using and interested in using its services of:

- 1) its economic and financial situation;
- 2) participation in the system of guarantees and the principles of that system, including the scope of protection provided and entities covered, specifying, in particular:
 - a) the amount of the maximum guarantee coverage,
 - b) the types of entities that may be considered entitled to receive monetary benefits.

1b. A branch office of a foreign bank, referred to in par. 1a, will inform the persons using and interested in its services about the lack of the guarantee coverage if:

- 1) a claim arising in relation to the performance of banking operations is not covered by the guarantee system;
- 2) a branch office of a foreign bank issues a document confirming its pecuniary obligation in respect of a specific person, in relation to an activity other than a banking operation,
- 3) any claims of a person using and interested in its services arise or may arise in respect of any other person who is not covered by a guarantee system, in connection with the services provided by a branch office of a foreign bank, including, in particular, acting as an intermediary for contracts.

1c. The information referred to in par. 1a (2) and par. 1b (1) and (2) should also be contained in any agreements between the branch office of a foreign bank and persons using and interested in its services.

1d. Information on the procedure and conditions for the grant of monetary benefits should be made available at the request of a person using or interested in the services of a branch office of a foreign bank.

1e. Any information that is made available to persons using and interested in the services of a branch office of a foreign bank, subject to the provisions of par. 1a-1c, should be provided:

- 1) in the standard manner used to provide information on its services;
- 2) in a clear and unambiguous form.

1f. Information on the participation in the guarantee system cannot be used for any advertising purposes and should be limited only to the information referred to in par. 1a and 1b.

1g. The prohibition referred to in par. 1f also applies to entities that are not participants of any guarantee system.

2. Approval of the Polish Financial Supervision Authority is required for the appointment of the director of a branch office of a foreign bank and of one of his deputies. An application for that approval is filed by a foreign bank. The provisions of Article 22b apply accordingly.

Article 41.

Provisions of the Polish law apply to branch offices of foreign banks operating in the Republic of Poland.

Article 42.

1. Foreign banks and credit institutions may open their representative offices in the Republic of Poland pursuant to an authorisation granted by the Polish Financial Supervision Authority following an application from the bank or credit institution concerned.
2. The application referred to in par. 1 should specify:
 - 1) business name and registered office of the bank or credit institution, and description of the activities of the applicant bank or credit institution;
 - 2) registered office and scope of activities of the representative office;
 - 3) information about the candidate for the position of an authorised representative of the bank or credit institution.
3. The provisions of Articles 33, 37, and 38 apply accordingly to the opening of a representative office of a bank or credit institution.
4. The scope of activities of a representative office of a foreign bank or credit institution may only include advertising and promotion of that foreign bank or credit institution, to the extent specified in the licence.
5. In the Public Information Bulletin, the Polish Financial Supervision Authority shall publish a list of all granted, revoked and expired licences referred to in par. 1.
6. A foreign bank and credit institution shall notify the Polish Financial Supervision Authority of:
 - 1) any changes in the factual and legal background in relation to the data referred to in par. 2;
 - 2) discontinuation of its activities in the form of a representative office in the Republic of Poland.
7. The Polish Financial Supervision Authority shall revoke the authorisation referred to in paragraph 1, where:
 - 1) a foreign bank or credit institution is in serious breach of Polish law or does not comply with the obligation referred to in par. 6;
 - 2) winding-up proceedings in respect of a foreign bank or credit institution are instituted, or where a foreign bank has lost the right to pursue economic activity;
 - 3) the scope of activities of a representative office of a foreign bank or credit institution goes far beyond the scope specified in the licence;
 - 4) the competent supervisory authorities of the country where a foreign bank or credit institution has its registered office or place of effective management have withdrawn the licence to pursue banking activities previously granted to that bank or credit institution.
8. The licence referred to in par. 1 shall expire in a case where a foreign bank or credit institution decides to discontinue their activities in the form of a representative office in the Republic of Poland. The Polish Financial Supervision Authority will issue a decision to confirm the expiry of the licence.

Da.

Specific procedures for the establishment of domestic banks by credit institutions

operating in the Republic of Poland through a branch office

Article 42a.

1. A credit institution pursuing banking activities in the Republic of Poland through a branch office may establish a domestic bank in the form of a joint-stock company by contributing all assets of that branch office, used by that branch office to conduct its activities, provided they constitute an enterprise or an organised part thereof, as a non-cash contribution. Shares of the domestic bank may be taken up only by that credit institution.
2. Subject to the provisions of Article 42b-42e, the provisions relating to the establishment of a bank in the form of a joint-stock company, with the exception of Articles 30.2, 30.4, and 36, apply to the establishment of a domestic bank by a credit institution, as referred to in par. 1.
3. The consent referred to in Article 313 § 1-3 of the Code of Commercial Companies and Partnerships should also apply to the transfer of all assets of a branch office to a domestic bank.

Article 42b.

In addition to the documents referred to in Article 31.2, the following documents should be attached to an application for a licence to establish a domestic bank by a credit institution referred to in Article 42a.1:

- 1) verified by an audit firm:
 - a) a determination of the value of assets of the branch office as at the specific date in a month preceding the filing of an application for a licence to establish a domestic bank, in accordance with the accounting principles applied by the branch office, excluding any additional items of assets and without any modifications to the principles of estimation that could influence the valuation of assets and liabilities,
 - b) a statement on the book value of the branch office, prepared for the purpose of establishing a domestic bank as at the date referred to in subparagraph (a), confirming that the value of the non-cash contribution is consistent with the carrying value of the enterprise or an organised part thereof, measured in accordance with the accounting principles applied by the branch office of the credit institution;
- 2) a certified copy of the notification relating to the intention of the credit institution to discontinue its activities in the Republic of Poland through the branch office, submitted through the competent supervisory authorities of a home Member State;
- 3) information on any licences, concessions, and reliefs granted to the credit institution in relation to the establishment or operation of the branch office, including a certified copy of a notification to a competent authority granting a licence or concession, other the Polish Financial Supervision Authority, on the intention to establish a domestic bank, and the possibility to file an appeal referred to in Article 42e.2 (3).

Article 42c.

1. Before the decision regarding the establishment of a domestic bank referred to in Article 42a.1 is issued, control activities are carried out in the branch office of the credit institution. The provisions of Article 133.2-133.4, 135, and 136 apply accordingly to those control

activities.

2. The Polish Financial Supervision Authority will refuse to grant the licence to establish a domestic bank referred to in Article 42a.1, if the establishment of that bank could result in serious losses for the national economy or the important interests of the state.

Article 42d.

The licence to establish a bank referred to in Article 42a.1 expires if the bank is not registered in the register of entrepreneurs within one year from the date of that licence having been received. In the licence, the Polish Financial Supervision Authority may specify a shorter time limit within which that licence will expire, but not shorter than 6 months, if it is justified by the need to ensure the sound and prudent management of that bank.

Article 42e.

1. A domestic bank established by a credit institution in accordance with Article 42a.1 will commence its activities upon registration in the register of entrepreneurs. A branch office of that credit institution is removed from the register of entrepreneurs *ex officio* on the date when the domestic bank is entered in that register.

2. Upon registration of the domestic bank referred to in par. 1 in the register of entrepreneurs, that domestic bank will assume all rights and obligations of the credit institution connected with the activities of its branch office. Any licences, concessions, and reliefs granted to the credit institution in relation to the establishment or operation of that branch office, in accordance with the laws applicable in the Republic of Poland, will be transferred to the domestic bank, on condition that:

- 1) they are specified in the information referred to in Article 42b (3);
- 2) separate regulations or a decision under which a licence, concession, or relief is granted, do not provide otherwise;
- 3) no objection is made by any other authority that has granted a licence or concession, before the licence to establish that domestic bank is granted.

3. The transfer of the rights recorded in land and mortgage registers, or any other registers, to the domestic bank, is disclosed in those registers at the request of the domestic bank.

4. Any funds transferred by the credit institution to finance the operations of its branch office do not constitute obligations of the domestic bank.

5. Where a domestic bank is established in accordance with the provisions of par. 1, the provisions of the Accounting Act of 29 September 1994 relating to changes of the legal form of an entity apply accordingly.

6. A company in the process of formation, before being established as the bank referred to in par. 1, may apply to the Polish Financial Supervision Authority for the approvals referred to in Article 6a.1 (1) (k) and in Article 6d.1, if such approvals are required upon registration of that bank in the register of entrepreneurs.

Article 42f.

(repealed).

E.

Transformation of a state-owned bank into a joint-stock company

Article 43.

A state-owned bank may be transformed into a bank in the form of a joint-stock company.

Article 44.

The Council of Ministers, at the request of the minister responsible for state assets and after consulting the Polish Financial Supervision Authority, having regard to the need to protect the interest of the State Treasury, by way of a regulation:

- 1) transforms a state-owned bank into a joint-stock company with the State Treasury as its shareholder,
- 2) defines to what extent the assets of a state-owned bank will be contributed to the joint-stock company as a contribution to its share capital, or transferred to that joint-stock company, with the State Treasury as its shareholder.

Article 45.

Transformation of a state-owned bank into a joint-stock company will have no effect on the contracts and agreements concluded by the bank or on any rights arising from administrative decisions. Transformation of a state-owned bank is based on the balance sheet drawn up as at the transformation date. As of that date, the bank in the form of a joint-stock company will assume all rights and obligations of the state-owned bank.

Article 46.

On the date of gaining legal personality by a bank in the form of a joint-stock company, the state-owned bank is subject to winding up and its authorities are subject to dissolution.

Article 47.

Insofar as not provided for herein, the provisions of the Code of Commercial Companies and Partnerships applying to the establishment of joint-stock companies will apply to the transformation of a state-owned bank into a bank in the form of a joint-stock company, with the exception of Articles 312 and 336.

Article 48.

(repealed).

Chapter 2a

Taking-up and Pursuit of Activities by Domestic Banks in a Host Member State and by Credit Institutions in the Republic of Poland

Article 48a.

A domestic bank may pursue its activities in the territory of a host Member State through a branch office or in the form of a cross-border activity.

Article 48b.

A domestic bank may perform the operations covered by the licence referred to in Article 34.1 in the territory of a host Member State.

Article 48c.

1. A domestic bank that intends to establish a branch office in the territory of a host Member State should notify the Polish Financial Supervision Authority of this intention in writing.
2. The notification referred to in par. 1 should contain:
 - 1) the name of the host Member State where the branch office is to be established;
 - 2) the name of the branch office;
 - 3) the address of the branch office where the documents relating to its activities will be made available;
 - 4) the programme of activities of the branch office, specifying, in particular, the operations to be performed by the bank through the branch office, and description of the organisational structure of the branch office;
 - 5) the names of the persons to be appointed as the director of the branch office and his deputy.
3. The Polish Financial Supervision Authority may require additional information to complete the notification referred to in par. 1, within the scope specified in par. 2 (2)-(5).
4. Within three months from the date of the notification referred to in par. 1 having been served or completed, the Polish Financial Supervision Authority will send the notification to the competent supervisory authorities of the host Member State together with the information on the amount of own funds and solvency ratio of the bank that intends to establish a branch office. The bank will be informed by the Polish Financial Supervision Authority of the notification sent to the competent supervisory authorities.

Article 48d.

1. The Polish Financial Supervision Authority will refuse to send the notification referred to in Article 48c.1 if:
 - 1) the requirements referred to in Article 48c.2 are not satisfied;
 - 2) the bank's organisational structure or financial situation is inadequate for the planned activity;
 - 3) the planned activity would contravene the law;
 - 4) the planned activity could be detrimental to the sound and prudent management of the bank.
2. The Polish Financial Supervision Authority will send the refusal to the bank concerned within three months from the date of the notification having been received or completed.
3. The Polish Financial Supervision Authority shall notify the European Banking Authority

of any refusal to grant a licence, giving the reasoning for such refusal.

Article 48e.

The Polish Financial Supervision Authority and the competent supervisory authorities of the host Member State should be informed by the domestic bank in writing of any intended changes within the scope referred to in Article 48c.2 (2)-(5), not later than one month before any such change is introduced. The provisions of Article 48c.3 and 48c.4 and of Article 48d apply accordingly.

Article 48f.

1. A domestic bank that intends to pursue cross-border activities should notify the Polish Financial Supervision Authority of this intention. The notification should specify in each case the operations covered by the licence obtained by the bank, which the bank intends to perform.
2. The Polish Financial Supervision Authority will send the notification referred to in par. 1 to the competent supervisory authorities of the host Member State, within one month from the date of the notification having been received, and will inform the bank concerned thereof.

Article 48g.

The Polish Financial Supervision Authority will immediately notify the competent supervisory authorities of the host Member State that the domestic bank pursuing its activities in the territory of that host Member State no longer holds the licence to establish a bank.

Article 48h.

1. A financial institution with its registered office in the Republic of Poland may perform the operations referred to in Article 5.2 and Article 6.1 (1)-(4), (6), (7) and (8) in a host Member State, within the scope defined in the legal act relating to its establishment, through a branch office or in the form of a cross-border activity, provided:

- 1) it is a subsidiary of at least one domestic bank subject to supervision on a consolidated basis;
- 2) it is subject to supervision on a consolidated basis;
- 3) it actually pursues its activities in the Republic of Poland;
- 4) the domestic bank or banks referred to in subparagraph (1) hold the right to exercise at least 90% of votes in a decision-making body of that financial institution;
- 5) the domestic bank or banks referred to in subparagraph (1) meet the requirements concerning own funds, large exposure control, holding limits, liquidity, and market risk, defined in the provisions of the Act and Regulation No. 575/2013;
- 6) the domestic bank or banks referred to in subparagraph (1) give a guarantee of being jointly and severally liable for any commitments of the financial institution, having obtained prior approval of the Polish Financial Supervision Authority.

2. Fulfilment of the conditions referred to in par. 1 is verified by the Polish Financial

Supervision Authority.

2a. If the conditions referred to in par. 1 are satisfied by the financial institution, the Polish Financial Supervision Authority will issue a certificate to that effect to the financial institution.

3. A financial institution that intends to establish a branch office or pursue cross-border activities in the territory of a host Member State should inform the Polish Financial Supervision Authority of its intention in writing. The provisions of Article 48c.2-48c.4 and of Article 48d-48f apply accordingly, but the Polish Financial Supervision Authority shall:

1) inform the competent supervisory authorities of the host Member State about the amount of the own funds of the subsidiary financial institution and the consolidated solvency ratio of its parent bank or banks referred to in par. 1 (1);

1a) submit the notification together with the certificate referred to in par. 2a attached thereto;

2) refuse to send the notification to the competent supervisory authorities also in a case where the financial institution does not satisfy the conditions referred to in par. 1.

4. If the financial institution no longer meets the conditions referred to in par. 1, the Polish Financial Supervision Authority will inform the competent supervisory authorities thereof. Upon the receipt of that notification, the activities of that institution conducted in the host Member State are governed by the provisions of the law of that host Member State.

4a. The activities of a financial institution having its registered office in a Member State other than the Republic of Poland, carried out in the Republic of Poland by a branch or as part of cross-border operations, shall be subject to the Polish law as of receipt, by the Polish Financial Supervision Authority from the competent supervisory authority of that Member State, a notification that the financial institution in consideration does not meet the requirements defined in the regulations of that State, equivalent to those provided for in paragraph 1.

5. The Polish Financial Supervision Authority may, at the request of the competent supervisory authorities of the host Member State, apply the measures referred to in Article 138.3 (1), (2) and (3a) and in Article 141, in respect of the financial institution referred to in par. 1, or prohibit the pursuit of activities by that financial institution in that host Member State.

Article 48i.

A credit institution may pursue its activities in the Republic of Poland through a branch office or in the form of a cross-border activity.

Article 48j.

A credit institution may perform the operations referred to in Article 5.1 and 5.2 and in Article 6.1 (1)-(4) and (6)-(8) in the Republic of Poland, within the scope covered by the licence granted by the competent supervisory authorities of the home Member State.

Article 48k.

1. The activities of credit institutions in the Republic of Poland are governed by Polish law, subject to the provision of par. 2 and 3.
2. The provisions of Articles 1 to 7, Articles 9 to 11, Article 40a.1, Articles 49 to 70, Articles 73 to 78a, Articles 80 to 95, Articles 101 to 112, Article 112c, Article 112d, Article 124, Article 124a, Article 133.3, Article 137, Article 138, Article 139.1 (2) and (3), Article 141, and Articles 171.4 to 171.7 shall apply accordingly to branches of credit institutions.
3. With regard to the monetary policy of the National Bank of Poland, until the date of accession of the Republic of Poland to the Economic and Monetary Union, branch offices of credit institutions shall have the same rights and obligations as domestic banks and branch offices of foreign banks.

Article 48l.

1. A branch office of a credit institution may, subject to the provisions of par. 2, commence its activities in the Republic of Poland not earlier than two months after the following information has been received by the Polish Financial Supervision Authority from the competent supervisory authorities of the home Member State:

- 1) the name and address of the branch office in the Republic of Poland where the documents relating to its activities will be made available;
- 2) the programme of activities, specifying, in particular, the operations to be performed by the credit institution, and description of the organisational structure of the branch office;
- 3) the names of persons to be appointed as the director of the branch office and his deputy;
- 4) the amount of the own funds and the solvency ratio of the credit institution.

2. Within two months of the date the information referred to in par. 1 having been received, the Polish Financial Supervision Authority may specify the conditions that must be satisfied by a branch office of a credit institution when pursuing its activity in the Republic of Poland, with a view to ensuring the protection of the public interest, and specifically the interests of consumers and security of trade, or preventing contraventions of the law.

3. A credit institution shall notify the Polish Financial Supervision Authority of any intended change in the scope referred to in par. 1 (1)-(3), within one month before any such change is introduced. Any such change comes into effect as of the date the relevant notification is received by Polish Financial Supervision Authority from the competent supervisory authorities of a home Member State. The provisions of par. 2 apply accordingly.

Article 48l.

A credit institution may take up cross-border activity in the Republic of Poland after the Polish Financial Supervision Authority has been informed by the competent supervisory authorities of a home Member State about the types of operations to be performed by that institution.

Article 48m.

A branch office of a credit institution that pursues its activities in the Republic of Poland shall submit periodic reports on its activities to the National Bank of Poland, within the scope and in accordance with the procedure specified in Article 23.3 and 23.4 of the Act on the National Bank of Poland of 29 August 1997 (Journal of Laws of 2019, item 1810 and of 2020, item 568).

Article 48n.

The provisions of Articles 48l and 48ł apply accordingly to the institutions having their registered offices in Member States that satisfy the requirements referred to in Article 48h.1.

Article 48o.

1. A credit institution that pursues its activities in the Republic of Poland shall inform the persons using and interested in its services, in the standard manner used to provide information on its services, about:

- 1) its economic and financial situation;
- 2) its participation in the system of guarantees and the principles of that system, including the scope of protection provided and entities covered, specifying, in particular:
 - a) the amount of the maximum guarantee coverage,
 - b) the types of entities that may be considered entitled to receive monetary benefits.

1a. Where a credit institution pursuing activity within the territory of the Republic of Poland operates under various trade marks, it shall notify persons using and interested in using its services about the single guarantee limit for funds accumulated in that institution to which those persons are entitled.

1b. In the case referred to in paragraph 1 (2) and paragraph 1a, a credit institution pursuing activity within the territory of the Republic of Poland, before concluding an account agreement, shall provide to persons interested in using its services, and subsequently, not less frequently than once a year, to persons using its services, information in the form of the information sheet referred to in Article 318.3 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring. If such information is provided before an account agreement has been concluded, the persons concerned shall confirm the receipt of this information.

2. A credit institution that pursues its activities in the Republic of Poland shall inform any person using and interested in its services about the lack of guarantee coverage if:

- 1) a claim arising in relation to the performance of banking operations is not covered by the guarantee system;
- 2) a credit institution issues a document confirming its pecuniary obligation in respect of a specific person in relation to an activity other than a banking operation;
- 3) any claims of a person using and interested in its services arise or may arise in respect of any other person who is not covered by a guarantee system, in connection with the services provided by a credit institution, including, in particular, acting as an intermediary for contracts.

3. (repealed).

4. The information on the procedure and conditions for the grant of monetary benefits should be made available at the request of a person using or interested in the services of a credit institution.

4a. An account statement shall contain the information whether the funds accumulated in that account are protected by the mandatory deposit guarantee scheme.

5. All information made available to persons using or interested in using the services of a credit institution, in accordance with the provisions of paragraphs 1 to 2, shall be provided:

- 1) in the standard manner used to provide information on its services;
- 2) in a clear and unambiguous form.

6. Information on the participation in the guarantee system cannot be used for any advertising purposes and should be limited only to the information referred to in par. 1 and 2.

7. The prohibition referred to in par. 6 also applies to entities that are not participants of any guarantee system.

Article 48p.

Where a credit institution pursuing activity within the territory of the Republic of Poland intends to introduce legal or organisational changes resulting in changing the guarantee scheme providing protection for the guaranteed funds accumulated in it or part of such funds for the mandatory guarantee scheme referred to in the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring, the credit institution shall notify *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund] at least 6 months before the planned change.

Chapter 3 Bank Accounts

Article 49.

1. Banks may operate, in particular, the following bank accounts:

- 1) clearing accounts, including current and auxiliary accounts, and VAT accounts kept for them on the principles defined in Chapter 3a;
- 2) time deposit accounts;
- 3) savings accounts, savings and current accounts, including family accounts, and term savings deposit accounts;
- 4) trust accounts.

2. Clearing accounts and time deposit accounts may be operated only for:

- 1) legal persons;
- 2) unincorporated organisational units, if they have legal capacity;
- 3) natural persons who pursue paid activities on their own account, including entrepreneurs.

3. Savings accounts, personal accounts, and time deposit savings accounts may be operated only for:

- 1) natural persons;
 - 2) school savings schemes;
 - 3) employee savings and loans schemes;
 - 4) parents councils.
4. Family accounts may be held exclusively for natural persons who have been granted benefits, supplemental allowances, allowances, and other amounts not subject to enforcement, as referred to in Article 833 § 6 and 7 of the Code of Civil Procedure Act of 17 November 1964 (Journal of Laws of 2020, items 1575 and 1578), except for family support, hereinafter referred to as "benefits not subject to enforcement".

Article 50.

1. A holder of a bank account is free to use the funds deposited in the account. An agreement with the bank may provide for certain limitations on the use of such funds.
 - 1a. The provision of paragraph 1 shall not apply to the VAT account referred to in Chapter 3a.
2. A bank shall exercise due diligence to ensure that the funds deposited in account are safe.

Article 51.

A bank account, except for a family account, may be held for several natural persons, several local government units, parties to a cooperation agreement within the meaning of the Act of 9 June 2011-Geological and Mining Law (Journal of Laws of 2020, items 1064 and 1339) or several voluntary pension funds which are target-date funds within the meaning of the Act of 4 October 2018 on Employee Capital Plans (Journal of Laws of 2020, item 1342) managed by a single general pension fund - joint account.

Article 51a.

In the case of a joint account operated for natural persons, unless otherwise provided for in the bank account agreement:

- 1) each joint holder of that account is free to use the funds deposited in the account;
- 2) each joint holder of that account may terminate the agreement at any time, effective for the remaining joint holders.

Article 51b.

1. A joint account of a number of local government units may be operated only in connection with the joint performance of public tasks, including the implementation of projects co-financed by the European Union.
2. An agreement on a joint account operated for local government units should specify the purpose for which the account is operated.
3. The principles for the use of funds deposited in a joint account operated for a number of local government units, and for the termination of the account agreement, are defined in the respective bank account agreement.

Article 51c.

1. A joint account for parties to a cooperation agreement may be operated solely in connection with the performance of the cooperation agreement and the granted concession which are referred to in the Act of 9 June 2011 - Geological and Mining Law.
2. In the case of a joint account for parties to a cooperation agreement:
 - 1) solely an account co-holder who is an operator within the meaning of the Act of 9 June 2011 - Geological and Mining Law is authorised to dispose of funds held on the account;
 - 2) an account co-holder may request current information concerning the balance on the account, periodic bank statements and the history of the account and sub-accounts.

Article 52.

1. A bank account agreement is concluded in writing.
2. A bank account agreement should, in particular, specify:
 - 1) the parties to the agreement;
 - 2) the account type;
 - 3) the currency of the account;
 - 4) the term of the agreement;
 - 5) if the parties agree that the funds deposited in the account bear interest - the interest rate and the conditions for the change of that interest rate by the bank, as well as the dates for payment, putting at the disposal, or capitalisation of the accrued interest;
 - 6) the amount of commission fees and charges for the services connected with the performance of the agreement, and the conditions and procedures for their change by the bank;
 - 7) the forms and scope of monetary settlements performed on the basis of the account holder's instruction, and the time limits for their performance;
 - 8) the conditions and procedures for the amendment of the agreement;
 - 9) the conditions and procedures for the termination of the bank account agreement;
 - 10) the extent to which the bank is held liable for the timely and correct performance of monetary settlements, and the amount of damages due when the time limits for the implementation of the account holder's instructions are exceeded.
- 2a. A family account agreement, in addition to the elements specified in paragraph 2, shall also identify the numbers of the bank accounts of entities paying benefits not subject to enforcement, from which accounts payments are made to the family account. Certificates confirming the numbers of those accounts, issued by the entities paying benefits not subject to enforcement, shall constitute appendices to the family account agreement.
3. For the purposes of calculation of interest accrued on the funds deposited in the account, it is assumed that a year has 365 days, unless otherwise provided for in the agreement.
4. The provisions of par. 1 and 2 do not apply to an agreement relating to a bank account that is used as the payment account referred to in Article 2 (25) of the Payment Services Act of 19 August 2011.

Article 52a.

1. The opening and administering of a family account and withdrawals from this account at the bank in which the account is held shall be free of any fees and commissions. The bank shall charge no fees and commissions for the provision of a payment instrument for a family account, its monthly maintenance, and withdrawals made with the use of that instrument and cash machines of that bank.
2. Only funds coming from benefits not subject to enforcement shall be paid into a family account. Payments into a family account may be made exclusively from the bank accounts of entities paying benefits not subject to enforcement.

Article 53.

1. Holders of a savings account or a time deposit savings account may receive a savings book from the bank, or any other document in the holder's name to confirm the conclusion of the agreement. The name of any such document should contain the word *oszczędnościowy* ("savings").
2. If the document referred to in par. 1 is issued, the bank is under no obligation to send account statements to the account holder.
3. If the document referred to in par. 1 is lost, it will be cancelled.
4. The Minister of Justice, after consultation with the Polish Financial Supervision Authority, defines, by regulation, the specific conditions and procedures for the cancellation of the documents referred to in par. 1, having regard to the type of such documents and the equitable interests of account holders.

Article 54.

1. Funds in savings accounts, savings and checking accounts, and fixed-term saving deposit accounts of one person, irrespective of the number of agreements concluded, shall not be subject to attachment on the basis of a court or administrative enforcement title, in each calendar month in which the attachment applies, up to the amount of 75% of the minimum wage, determined on the basis of the Minimum Wage Act of 10th October 2002 (Journal of Laws of 2018, item 2177 and of 2019, item 1564), to which a full-time employee is entitled.
2. Funds deposited in savings accounts, personal accounts, and time deposit savings accounts operated for a number of natural persons are free from attachment up to the amount referred to in par. 1, irrespective of the number of joint holders of such an account.

Article 54a.

Funds on savings accounts, savings and current accounts, and term savings deposit accounts originating from the benefits, supplemental allowances, and allowances referred to in Article 833 § 6 of the Act of 17 November 1964 - Code of Civil Procedure and in Article 10 § 4 of the Act of 17 June 1966 on Enforcement Procedure in Administration (*Dziennik Ustaw* 2019, item 1438, as amended) and the benefits, supplemental allowances, and other amounts referred to in Article 31.1, Articles 80.1 and 80.1a, Article 81, Articles 83.1 and 83.4, Article 84 (2) and (3), and Article 140.1 (1) of the Act of 9 June 2011 on Family Support and Foster Custody System (*Dziennik Ustaw* 2020, item 821), and the funds for the maintenance of residential premises in a multifamily residential building or a single-family house referred to

in Article 83.2 and Article 84.1 of the Act of 9 June 2011 on Family Support and Foster Custody System, in the part allocated to children placed under foster care or in a family foster home and persons who have reached the age of majority while in foster care, and a supplementary benefit referred to in Article 1.1 of the Act of 31 July 2019 on Supplementary Benefit for Persons Needing Long-term Care (*Dziennik Ustaw*, items 1622 and 2473; and *Dziennik Ustaw* 2020, item 252), and an additional annual cash allowance referred to in Article 1 of the Act of 9 January 2020 on the Additional Annual Cash Allowance for Pensioners (*Dziennik Ustaw*, item 321), shall not be subject to seizure under a court or administrative enforcement title.

Article 54b.

Funds deposited on an account being the subject of a blockade of the qualified entity's account within the meaning of Article 119zg (2) of the Act of 29 August 1997 - Tax Ordinance (Journal of Laws of 2020, items 1325 and 1423) shall not be subject to seizure on the basis of a court or administrative enforceable title, sans exceptions defined in regulations on enforcement proceedings.

Article 55.

1. In the event of death of a holder of a savings account, personal account, or a time deposit savings account, the bank is under the obligation to pay out the following amounts from those accounts:

- 1) an amount equal to the costs of funeral of the account holder, to a person who presents the receipts confirming the amount of the expenses actually incurred - not exceeding the costs of a funeral that are customary in a given community;
- 2) an amount equal to the payments to those accounts made by a body responsible for paying out insurance or social security benefits, or remuneration for retired public servants, which were not due for a period following the death of the account holder, specified in the relevant request of that body addressed to the bank, including the numbers of the accounts to which such payments were made.

2. An amount paid out in accordance with par. 1 (1) does not constitute part of the estate of the deceased account holder.

3. The bank is released from the obligation to pay out the entire amount referred to in par. 1 (2) or a part thereof, if payments from such accounts were made to other entitled persons before receiving the request of the body paying out benefits or remuneration, which makes it impossible to make the payments requested by that body, in full amount or in any part, provided that the bank notifies that body thereof within 30 days from the request having been received, indicating the persons who collected such payments.

4. The bank cannot be held liable for any damage arising from the operations referred to in par. 1 (2) and par. 3. A body paying out the benefits or remuneration, that has submitted the request, is solely liable for any such damage.

Article 56.

1. A holder of a savings account, personal account, or a time deposit savings account, may instruct the bank in writing to make payments from the account after the holder's death to the following persons indicated by the holder: spouse, ascendants, descendants, or siblings, in the specified amount (an instruction regarding the deposited funds in the event of the holder's death).
2. Regardless of the number of the holder's instructions, the amount of payments referred to in par. 1 cannot be greater than twenty times the average monthly remuneration in the business sector, excluding payments from profit sharing, announced by the President of the Central Statistical Office for the last month prior to the account holder's death.
3. An instruction regarding the deposited funds in the event of the holder's death may be changed or cancelled at any time by the account holder in writing.
4. If the account holder gives more than one instruction regarding the deposited funds in the event of the holder's death, and the total sum resulting from such instructions exceeds the limit referred to in par. 2, an instruction issued at a later date takes precedence over an earlier instruction.
5. An amount paid out in accordance with par. 1 does not constitute part of the estate of the deceased account holder.
6. The persons who received any amounts under an instruction regarding the deposited funds in the event of the holder's death, which were paid in contravention of the provision of par. 4, shall return such amounts to the heirs of the deceased account holder.

Article 56a.

1. When concluding an agreement relating to a bank account referred to in Article 56.1, the bank is obliged to provide information, in a manner comprehensible for the holder of that account, about the possibility of issuing instructions as to the management of the account funds in the event of death and about the provisions of Article 56.
2. If the bank is notified about the death of an account holder who issued instructions as to the management of the account funds in the event of death, the bank is obliged to notify without delay the persons indicated by the account holder on the possibility of payment of a specified amount.

Article 57.

The provisions of Articles 55.1, 56.1, 56a, and 59a shall not apply to the bank account referred to in Article 51.

Article 58.

After turning thirteen years of age, a holder of a savings account, personal account, or a time deposit savings account is free to use the funds deposited in such accounts, unless an objection thereto is raised by his legal representative in writing.

Article 59.

1. A trust account may be used only to deposit funds entrusted to the account holder by a third party, under a separate agreement.

2. The bank and the account holder (trustee) are parties to a trust account agreement.
3. The agreement referred to in par. 2 specifies the conditions that should be fulfilled for the account holder to receive the funds of third parties deposited in the account, or to implement the account holder's instructions as regards the use of such funds.
 - 3a. A trust account shall be administered in a manner that enables, at any time, the identification of any third parties that have paid funds into that account and the calculation of their share in the amount accumulated in that trust account.
4. Where enforcement proceedings are instituted against the holder of a trust account, the funds deposited in that account cannot be attached.
5. In the event of bankruptcy of a holder of a trust account, the funds deposited in that account are not included in the bankruptcy estate.
6. In the event of death of a holder of a trust account, the funds deposited in that account do not constitute part of the estate of the deceased account holder.
7. The provisions of par. 3-6 apply if the funds are entrusted in the performance of the agreement referred to in par. 1, with a certified date.

Article 59a.

1. An agreement on a bank account whose holder is a natural person, not concluded in connection with pursuing economic activity, shall be terminated:
 - 1) on the date of death of the account holder, or
 - 2) after 10 years from the date of issuance by the account holder of the last instruction regarding that account, and if the agreement provides for the operation of more than one bank account - those accounts, unless a savings account agreement or time deposit savings account agreement was concluded for a fixed period longer than 10 years.
2. A contractual term providing for the renewal of a bank account agreement concluded for a fixed period not longer than 10 years in the absence of termination shall not constitute an instruction referred to in paragraph 1 (2). If, as a result of the renewal, the agreement would become binding for a period longer than 10 years from the date of its conclusion, a prerequisite for the renewal shall be the issuance of an instruction to that effect by the account holder. The absence of such an instruction shall result in the expiry of the agreement.
3. A savings account agreement or a time deposit savings account agreement concluded for a fixed period longer than 10 years may be renewed if the account holder issues an instruction to that effect. A contractual term providing for the renewal of the agreement in the absence of termination shall not constitute such an instruction. The absence of such an instruction shall result in the expiry of the agreement.
4. If an agreement has been terminated pursuant to paragraph 1, it shall be regarded as binding until the bank pays the funds to the person holding legal title to those funds, except if the amount of the funds on that bank account does not exceed the minimum amount specified in the agreement.
5. From the date of expiry of a bank account agreement pursuant to paragraph 2 or 3 to the date of payment of the funds to the person holding legal title to those funds, the funds shall be subject to indexation based on the average annual consumer price index, forecast in the

budget act for a given year. The indexation shall be applied on the last day of a given calendar year.

6. After 5 years from the date of issuance of the last instruction regarding a bank account operated pursuant to the agreement referred to in paragraph 1, the bank is obliged to request access to data in *Powszechny Elektroniczny System Ewidencji Ludności* [the Universal Electronic System for Registration of the Population] (PESEL), enabling the determination of whether the account holder is alive, from the minister responsible for informatisation. If the agreement provides for the operation of more than one account, the period referred to in sentence 1 shall be counted from the date of issuance of the last instruction regarding those accounts.

7. At least 6 months before the end of the period referred to in paragraph 1 (2), the bank is obliged to inform the account holder about the consequences of the lapse of that period.

Article 59b.

After 3 months from the date of expiry of the bank account agreement referred to in Article 59a, concluded for a fixed period, in the absence of a previously issued instruction regarding the payment of funds, the bank is obliged to request access to data in *Powszechny Elektroniczny System Ewidencji Ludności* [the Universal Electronic System for Registration of the Population] (PESEL), enabling the determination of whether the account holder is alive, from the minister responsible for informatisation.

Article 59c.

1. After the death of an entrepreneur, the bank shall continue to keep the bank account connected with the business activity conducted by the entrepreneur if a succession administration within the meaning of the Act of 5 July 2018 on Succession Administration of a Natural Person's Enterprise and Other Facilitators Related to the Succession of Enterprises (Journal of Laws item 1629 and of 2019, item 1495) has been established.
2. In the period from the establishment until the expiration of the succession administration, access to funds accumulated on the bank account referred to in paragraph 1 and the right to issue instructions shall be awarded to the succession administrator.
3. The succession administrator shall immediately inform the bank about persons that have appointed them and persons who have obtained a legal title to the inheritance left by the account holder referred to in paragraph 1.

Article 60.

Unless otherwise provided for in the bank account agreement, the agreement expires if no operations are performed in the account for a period of two years, except for the accrual of interest, and the balance of funds deposited in that account does not exceed the minimum balance specified in the agreement.

Article 61.

1. If the bank is notified of a loss of a document confirming the conclusion of a savings account agreement, or of a cheque or blank cheque, the account holder is not charged for any

cash withdrawals or transfers performed on the basis of such documents in a bank operating that savings account, as of the moment of the notification having been received by the bank.

2. In cases other than those referred to in par. 1, the account holder is charged for any cash withdrawals made by the bank following the loss of the documents referred to in par. 1 by the account holder, in accordance with the provisions of the respective bank account agreement.

Article 62.

Cancellation of lost documents confirming the conclusion of a bank account agreement for a savings account, personal account, or a time deposit savings account in the course of court or administrative enforcement from such accounts is provided for in the Act of 17 November 1964 - the Code of Civil Procedure and in regulations on the enforcement proceedings in administration.

Chapter 3a VAT Account

Article 62a.

1. The bank shall keep a VAT account for a clearing account.
2. A VAT account shall be kept in the Polish currency.
3. For clearing accounts kept for the same holder, the bank shall keep a single VAT account, regardless of the number of clearing accounts kept for this holder. If more than one clearing account is kept for the same holder, the bank shall, upon request of said holder, keep multiple VAT accounts.
4. In the case of clearing accounts kept by the National Bank of Poland for the same holder, the Bank shall keep a VAT account for each clearing account. The National Bank of Poland shall keep a VAT account for multiple clearing accounts of the same holder upon request thereof or on the basis of provisions on public finance.
5. The provision of paragraph 1 shall not apply to a clearing account kept in a currency other than the Polish currency.
6. The opening and keeping of a VAT account shall not require entering into a separate contract.
7. The opening and keeping of a VAT account shall be free from additional commissions and payments to the bank.
8. Funds accumulated on a VAT account may be burdened with interest, in accordance with the determinations of the parties.
9. The bank shall inform the holder of a clearing account about the number of the VAT account and defined principles and deadlines for informing the clearing account holder about the VAT account balance. The provision of Article 728 of the Civil Code shall not apply to the VAT account.
10. The bank shall not issue a payment instrument to a VAT account.
11. The provision of paragraph 1 shall also apply to an account not being a clearing account if the bank keeps it under its own operations.

Article 62b.

1. A VAT account may be credited solely with funds from:
 - 1) payment of an amount corresponding to the amount of value-added tax, with the use of a transfer message referred to in Article 108a.3 of the Act of 11 March 2004 on Goods and Services Tax (Journal of Laws of 2020, items 106, 568, 1065 and 1106), hereinafter referred to as "transfer message"
 - 2) payment of an amount of the value-added tax by the taxable person referred to in Article 103.5a of the Act of 11 March 2004 on Goods and Services Tax for the tax remitter referred to in Article 17a of that Act, with the use of a transfer message;
 - 3) transfer of funds from another VAT account of the VAT account holder kept at same bank;
 - 4) return of:
 - a) an amount corresponding to the amount of the value-added tax in the cases referred to in Article 29a.10 (1) to (3) and Article 29a.14 of the Act of 11 March 2004 on Goods and Services Tax, resulting from a correcting invoice issued by the taxable person,
 - b) the difference in the tax referred to in Article 87.6a of the Act of 11 March 2004 on Goods and Services Tax by a tax office- with the use of a transfer message.
2. A VAT account may be debited solely for the following purposes:
 - 1) making:
 - a) a payment of an amount corresponding to the amount of the value-added tax due to purchase of goods and services to a VAT account,
 - b) a return of an amount corresponding to the amount of the value-added tax in the cases referred to in Article 29a.10 (1) to (3) and Article 29a.14 of the Act of 11 March 2004 on Goods and Services Tax, resulting from a correcting invoice issued by the taxable person, to a VAT account of the purchaser of the goods or services- with the use of a transfer message;
 - 2) paying:
 - a) to the account of the tax office:
 - value-added tax, including value-added tax on imported goods, an additional tax liability related to that tax, and interest for late payment of value-added tax or interest for late payment of additional tax liability,
 - corporate income tax and advances towards that tax, including interest for late payment of corporate income tax and interest for late payment of advances towards that tax,
 - personal income tax and advances towards that tax, including interest for late payment of personal income tax and interest for late payment of advances towards that tax,
 - excise duty, excise duty prepayments, daily deposits, and interest for late payment of excise duty and excise duty prepayments,

- customs duties and interest for late payment of these duties,
 - b) contribution payments referred to in Article 24.2 of the Social Insurance System Act of 13 October 1998 (Journal of Laws of 2020, items 266, 321, 568, 695, 875 and 1291) and contribution payments referred to in Article 32 of the said Act, which *Zakład Ubezpieczeń Społecznych* [the Social Insurance Institution] is obligated to collect;
- 3) payment of value-added tax by the taxable person referred to in Article 103.5a of the Act of 11 March 2004 on Goods and Services Tax for the tax remitter referred to in Article 17a of that Act, with the use of a transfer message;
 - 4) transfer, with the use of a transfer message, of an amount corresponding to the amount of the value-added tax to a VAT account of the goods supplier or service provider by the account holder who:
 - a) received the payment with the use of a transfer message and
 - a) is not the goods supplier or service provider indicated in the invoice for which payment is made;
 - 5) refund, with the use of a transfer message, of an undue payment to a VAT account of the account holder from whom the payment was received with the use of a transfer message;
 - 6) transfer of funds to another VAT account of the VAT account holder kept by the same bank with the use of a transfer message, where the holder, instead of the information referred to in:
 - a) Article 108a.3 (1) and (2) of the Act of 11 March 2004 on Goods and Services Tax - shall indicate the amount of transferred funds,
 - b) Article 108a.3 (3) of the Act of 11 March 2004 on Goods and Services Tax - shall enter the phrase "own transfer
 - c) Article 108a.3 (4) of the Act of 11 March 2004 on Goods and Services Tax - shall indicate the number by which the holder is identified for the purposes of value-added tax;
 - 7) transfer of funds to an account indicated by the head of a tax office in the information on the decision referred to in Article 108b.4 of the Act of 11 March 2004 on Goods and Services Tax;
 - 8) transfer of funds to a clearing account of a state budgetary unit, if a VAT account is kept for a clearing account referred to in Article 196.1 (2) or (5) of the Act of 27 August 2009 on Public Finance (Journal of Laws of 2019, items 869, as amended);
 - 9) performing a seizure on the basis of an administrative enforceable title concerning the enforcement of amounts due referred to in subparagraph 2;
 - 10) the transfer of funds by the bank to a separate account other than a clearing account kept with the same bank, used for the purpose of identifying a VAT account holder (technical account) - in the case referred to in Article 62e.3 (2).
3. A VAT account shall be debited and credited accordingly by debiting or crediting a clearing account of the VAT account holder kept by the same bank.
 4. In the case of charging interest on the funds accumulated on a VAT account, the bank, without a separate instruction of the VAT account holder, shall credit the clearing account for

which the VAT account is kept with the amount of said interest. If the VAT account is kept for several clearing accounts, the bank shall credit the clearing account indicated by the holder of these accounts.

5. The provisions of paragraph 2 (1) and (3) to (6) shall not apply if the account of the recipient is kept by a credit institution or a foreign bank that do not operate within the Republic of Poland in the form of a branch office.

Article 62c.

1. In order to execute a transfer, the bank shall first debit the VAT account of the purchaser of goods and services with the amount of the value-added tax, and credit the clearing account with the same amount in accordance with the transfer message.

2. If no funds are present on a VAT account, in order to execute a transfer, the bank shall debit the amount corresponding to the gross sales value indicated in the transfer message only to the clearing account of the purchaser of goods and services.

3. If funds on a VAT account are insufficient to cover the amount corresponding to the amount of the value-added tax indicated in the transfer message, in order to execute the transfer, the bank shall debit the VAT account up to the amount of balance on this account and credit the clearing account of the purchaser of goods and services with the same amount on the basis of a transfer message.

4. If funds on a clearing account are insufficient to cover the amount corresponding to the gross sales value indicated in the transfer message, the bank shall not execute the transfer.

5. After receiving funds due to the amount corresponding to the amount of the value-added tax indicated in the transfer message, the bank that keeps the clearing account shall debit that clearing account with an amount corresponding to the amount of the value-added tax and credit the VAT account kept for this account with the same amount.

6. If the same bank keeps a clearing account for the goods supplier or service provider and the purchaser of goods and services, the bank shall simultaneously perform the obligations defined in paragraphs 1 to 5.

7. In the case of executing a transfer for the purpose referred to in Article 62b.2 (2), the bank that keeps the clearing account of the taxable person shall debit the VAT account of the taxable person with the amount indicated in the transfer order and credit the clearing account with the same amount.

8. If funds on a VAT account are insufficient to execute a transfer for the purpose referred to in Article 62b.2 (2), the bank shall debit the VAT account with the amount of balance on that account and credit the clearing account of the taxable person with the same amount on the basis of a transfer order.

9. If funds on a clearing account are insufficient to execute a transfer for the purpose referred to in Article 62b.2 (2), the bank shall not execute the transfer.

10. The bank shall not be obliged to check the correctness of the calculation of the amount corresponding to the amount of the value-added tax indicated in the transfer message.

11. If payment of an invoice is made on the basis of a transfer message to an account of a recipient for whom the bank does not keep a VAT account, the bank shall return the funds

with the use of a transfer message.

12. If the bank receives the information on the decision referred to in Article 108b.4 of the Act of 11 March 2004 on Goods and Services Tax, it shall immediately debit the VAT account of the account holder with the amount indicated in that information and credit the clearing account with the same amount.

13. If the amount indicated in the information on the decision referred to in Article 108b.4 of the Act of 11 March 2004 on Goods and Services Tax exceeds the amount of funds accumulated on a VAT account, the bank shall debit the VAT account up to the amount of balance on that account and credit the clearing account with the same amount. In such a case, it shall be deemed that the obligation referred to in paragraph 12 has been performed in full.

Article 62d.

1. Funds accumulated:

- 1) on a VAT account,
- 2) on a clearing account in an amount corresponding to the amount of the value-added tax indicated in the transfer message

- shall be free from seizure on the basis of a court or administrative enforceable title which concerns the enforcement or securing of receivables other than mentioned in Article 62b.2 (2).

2. Receivables from a VAT account cannot be a subject of a tangible collateral.

Article 62e.

1. Prior to closing a clearing account, the bank shall close the VAT account kept for this clearing account if the VAT account is not kept for another clearing account.

2. Prior to closing a VAT account, the bank shall credit another VAT account indicated by the holder of the VAT account kept by the same bank with the amount accumulated on the VAT account as at the date of closing the VAT account.

3. If the VAT account holder fails to indicate another VAT account kept by the same bank, prior to closing the VAT account the bank shall:

- 1) credit the clearing account of the holder for which the VAT account was opened with the amount accumulated on the VAT account as at the date of closing the VAT account - in accordance with the information on the decision referred to in Article 108b.4 of the Act of 11 March 2004 on Goods and Services Tax, or
- 2) transfer funds accumulated on the VAT account as at the date of closing that account to a separate account other than a clearing account, kept by the same bank, used for the purpose of identifying a VAT account holder (technical account) - if as at the date of termination of an agreement pertaining to a clearing account for which that VAT account is kept, the bank does not have information on the decision referred to in Article 108b.4 of the Act of 11 March 2004 on Goods and Services Tax.

Article 62f.

The provisions of this Chapter shall not apply to:

- 1) accounts in payment systems kept by the National Bank of Poland;
- 2) accounts referred to in Article 192.1, Article 196.1 (1) and (3) and Article 196.2a, Article 200.1, Article 202, and Article 208 of the Act of 27 August 2009 on Public Finance;
- 3) accounts:
 - a) kept by the National Bank of Poland, other than those defined in subparagraphs (1) and (2),
 - b) of banks operated by other banks,
 - c) of cooperative banks operated by an affiliating bank,
 - d) of savings and credit unions operated by *Krajowa Spółdzielcza Kasa Oszczędnościowo-Kredytowa* [the National Savings and Credit Union]- that are used solely for settlements due to performance of activities to which the provisions of the Act of 11 March 2004 on Goods and Services Tax do not apply.

Chapter 4

Monetary Settlements Intermediated by Banks

Article 63.

1. Monetary settlements may be performed with the banks acting as intermediaries if at least one party to the settlement (debtor or creditor) holds a bank account. Monetary settlements may be performed in cash or in non-cash form, using hard-copy or electronic media.
2. Cash settlements are performed using an open cheque or by depositing cash in a creditor's account.
3. Non-cash settlements are performed, in particular, in the form of:
 - 1) a credit transfer order;
 - 2) a direct debit;
 - 3) an account-only cheque;
 - 4) a payment card.

Article 63a.

(repealed).

Article 63b.

1. An open cheque is an instruction of the drawer to the drawee to debit its account with the amount of that cheque, and to pay that amount to the bearer or a person indicated on that cheque.
2. An open cheque may be presented for payment directly to the drawee or any other bank and cashed. Payment of an open cheque presented in a bank other than the drawee is made, subject to the provisions of par. 3, after the funds sufficient to cash that cheque are transferred by the drawee to that bank. The specific conditions for the presentment of open cheques for payment in a bank other than the drawee are stipulated in an agreement between that bank

and the holder of a cheque.

3. Banks may enter into agreements in which, subject to the condition of reciprocity, a procedure other than that specified in par. 2 is adopted for the presentment of open cheques for payment from personal accounts.

Article 63c.

A credit transfer order is an instruction from a debtor to a bank to debit the debtor's account with a specified amount and credit the creditor's account with that amount. The bank will execute the debtor's instruction in a manner provided for in the bank account agreement.

Article 63d.

1. A direct debit is an instruction from a creditor to a bank or a savings and credit union to debit, as appropriate, a debtor's bank account or a debtor's savings and credit union account with a specified amount and to credit the creditor's account with that amount. At the same time, the creditor's instruction also means that the creditor consents to the bank or the savings and credit union cancelling the debiting of the debtor's account and cancelling the crediting of the creditor's account in the case of the cancellation of the direct debit by the debtor, as referred to in paragraph 6.

2. Settlements by direct debit shall be permitted provided that:

1) the creditor and the debtor hold accounts in banks or savings and credit unions that have entered into an agreement on the use of direct debits, specifying in particular: the scope of liability of banks and savings and credit unions executing direct debits, reasons for the refusal of a debtor's bank or savings and credit union to execute a direct debit, the procedures for pursuing the counterclaims of banks and savings and credit unions resulting from the cancellation of a direct debit by a debtor, standard forms, and the rules for the execution of direct debits by banks and savings and credit unions by means of electronic data carriers;

2) the debtor grants the creditor consent to debiting the debtor's account by direct debit at agreed payment dates to settle specific liabilities;

3) the creditor and the bank or the savings and credit union that operates the creditor's account conclude an agreement on the use of direct debits by the creditor, containing in particular: the consent of the bank or the savings and credit union to the creditor's use of direct debit, the principles for the submission and execution of direct debits, the creditor's consent to debiting the creditor's account with the amounts of cancelled direct debit payments together with the interest referred to in paragraph 7, returned to the debtor following the cancellation of a direct debit, and the scope of liability of the creditor and the bank or the savings and credit union;

4) the maximum amount of a single direct debit payment does not exceed the equivalent, converted into PLN at the average exchange rate announced by the National Bank of Poland on the last day of the quarter preceding the quarter in which the monetary settlement is performed, of the following amounts:

a) EUR 1,000-where the debtor is a natural person not pursuing any economic activity,

b) EUR 50,000-for any other debtor.

3. The bank that has given the creditor consent to the use of direct debits shall be held liable towards the banks and savings and credit unions that are parties to the agreement referred to in par. 2 (1) for any actions taken by the creditor in connection with direct debits, and, in particular, shall be obliged to immediately credit the amount of any cancelled direct debit payments to the debtor's account with a bank or with a savings and credit union, together with the interest referred to in paragraph 7, also where there are no funds in the creditor's account or if there is any other reason for which the creditor's bank account cannot be debited.

3a. The savings and credit union that has given the creditor consent to the use of direct debits shall be held liable towards the banks and savings and credit unions that are parties to the agreement referred to in par. 2 (1) for any actions taken by the creditor in connection with direct debits, and, in particular, shall be obliged to immediately credit the amount of any cancelled direct debit payment to the debtor's account with a bank or with a savings and credit union, together with the interest referred to in paragraph 7, also where there are no funds in the creditor's account or if there is any other reason for which the creditor's account cannot be debited.

4. The creditor's bank account shall be credited after the creditor's bank or savings and credit union has received funds sufficient to cover the direct debit from the debtor's bank or savings and credit union.

5. A debtor shall have the right to withdraw the consent referred to in par. 2 (2) at any time.

6. A debtor may cancel a single direct debit in the bank or savings and credit union operating the debtor's account within:

1) 30 calendar days from the date of debiting the debtor's bank account or savings and credit union account-where the debtor is a natural person not pursuing any economic activity;

2) 5 working days from the date of debiting the debtor's bank account or savings and credit union account-for any other debtor.

7. The cancellation of a direct debit by a debtor shall oblige the debtor's bank or savings and credit union to immediately credit the amount of the cancelled direct debit payment to the debtor's bank account or savings and credit union account. The debtor's account shall be credited on the date on which a direct debit payment is cancelled, with the obligation to charge-for the period starting on the date of debiting the debtor's account with the amount of the cancelled direct debit payment-interest due to the debtor in connection with the interest borne by the debtor's bank account or savings and credit union account.

8. A bank or a savings and credit union being a creditor may perform settlements by direct debit on the terms specified in the statute, with the stipulations that:

1) the provisions of paragraph 2 (3) and paragraph 3 shall not apply to such settlements;

2) the bank or the savings and credit union shall be obliged to immediately credit the amount of the cancelled direct debit payment to the debtor's bank account or savings and credit union account.

9. The provisions of par. 1-8 do not apply to any direct debit transactions provided for in the

Payment Services Act of 19 August 2011.

10. The provisions of Chapter 3a shall apply accordingly to direct debit transactions due to payment of an invoice between a creditor and debtor being entrepreneurs.

11. The consent of the debtor referred to in paragraph 2 (2) shall also mean a consent granted by the debtor to the creditor for debiting, by way of direct debit, the clearing account of the debtor.

Article 63e.

1. An account-only cheque is an instruction of the drawer to the drawee to debit its account with an amount of that cheque, and to credit that amount to the account of the holder of that cheque.

2. At the request of the cheque drawer, the bank may confirm an account-only cheque and set aside the sufficient funds in the drawer's account to cover that cheque. The bank may also confirm an incomplete cheque.

3. An account-only cheque may be presented for settlement and payment directly to the drawee or in the bank operating the holder's account. The cheque holder's account is credited with the amount of a cheque, subject to the provisions of par. 4, after the funds sufficient to pay that amount are transferred by the drawee to the holder's bank. The specific conditions for the presentment of cheques for settlement and payment in a bank other than the drawee are stipulated in an agreement between that bank and the holder of a cheque.

4. Banks may enter into agreements in which, subject to the condition of reciprocity, a procedure other than that specified in par. 3 is adopted for the presentment of account-only cheques for payment from personal accounts.

Article 63f.

1. Under the terms of the relevant agreements, the parties may also use payment cards in non-cash settlements.

2. The rights and obligations of issuers and holders of payment cards are provided for in a separate act of law.

Article 63g.

(repealed).

Article 63h.

The competent minister in charge of financial institutions, after consultation with the President of the National Bank of Poland, may define, by regulation, the standard form of a credit transfer order/cash payment to be used in monetary settlements intermediated by a bank.

Article 64.

1. Where an instruction of an account holder to perform monetary settlements is executed by a number of banks, each of those banks will be held jointly and severally liable towards the

account holder for any damage suffered due to the incorrect execution or non-execution of that instruction.

2. The provision of par. 1 does not apply to any payment services provided for in the Payment Services Act of 19 August 2011.

Article 65.

A bank that makes payments from a bank account is under the obligation to verify whether the document on the basis of which the payment is made is authentic and correct in formal terms, and to check the identity of the originator.

Article 66.

Banks are under the obligation to accept cash payments to bank account and to count and sort the notes and coins so accepted.

Article 67.

The State Treasury or banks along with bank chambers of commerce may create clearing houses in the form of commercial companies in order to exchange payment orders and determine mutual receivables resulting from these orders. The State Treasury may be a shareholder or stockholder of a clearing house. In order to secure the settlement, the clearing house may create a guarantee fund from the bank funds; monies deposited therein shall not be subject to enforcement from the bank's assets.

Article 67a.

The funds deposited in a bank's clearing account within the meaning of the Act on the finality of settlements in payment systems and securities settlement systems and the principles of supervision of such systems of 24 August 2001 (Journal of Laws of 2019, item 212) are free from attachment under a court or administrative enforceable title up to the amount necessary to perform the obligations resulting from the bank's participation in a payment system or a securities settlement system, arising before that attachment.

Article 68.

The President of the National Bank of Poland defines, by internal regulation:

- 1) the method of performing interbank clearings and interbank settlements, having regard to the need to ensure the efficient and secure performance of monetary settlements and the efficient and secure functioning of payment systems;
- 2) the methods and procedures of counting, sorting, packing, and marking the packages of notes and coins, and of performing the activities in order to secure the supply of notes and coins for banks;
- 3) the methods for assigning numbers to banks and their organisational units;
- 4) the methods for assigning numbers to bank accounts operated by banks;
- 5) the detailed scope of information related to assigning numbers to banks and their organisational units and the method of providing such information.

Chapter 5

Credits and Loans of Money and the Principles for Concentration of Exposures

Article 69.

1. Under a credit agreement, a bank assumes an obligation to make available to a borrower a specified amount of funds to be used for a specified purpose, for a period stipulated therein, and the borrower assumes an obligation to use such funds in accordance with the terms and conditions of that agreement, to repay the amount of credit drawn together with interest at the agreed repayment dates, and to pay commission fee on the credit granted.
2. A credit agreement should be concluded in writing and should, in particular, specify:
 - 1) the parties to the agreement;
 - 2) the credit amount and currency;
 - 3) the purpose for which credit is granted;
 - 4) the terms and dates of repayment;
 - 4a) in the case of credit agreements relating to credits denominated in or indexed to currencies other than PLN, the detailed principles applied to define the methods and time of determination of the exchange rates on the basis of which a bank will calculate, in particular, the amount of credit, its tranches, and principal and interest payments, as well as the principles of conversion to the currency in which the credit is disbursed or repaid;
 - 5) the interest rate and the conditions under which the interest rate may be changed;
 - 6) credit repayment security;
 - 7) the bank's rights to monitor credit utilisation and repayment;
 - 8) the dates and methods of making funds available to the borrower;
 - 9) the amount of commission fee, if provided for in the agreement;
 - 10) the terms of amending and terminating the agreement.
3. In the case of credit agreements relating to credits denominated in or indexed to a currency other than PLN, the borrower may make the principal and interest payments, and make early repayment of credit, either in part or in full, directly in that foreign currency. If this is the case, the credit agreement will also specify the principles of opening and operating a bank account used to deposit funds earmarked for the repayment of credit, and the principles of credit repayment using that account.

Article 70.

1. A bank will make a grant of credit contingent on the borrower's creditworthiness. Creditworthiness is understood as the borrower's ability to repay the credit with interest at the dates specified in the agreement. At the request of a bank, a borrower is obliged to present such documents and information as may be necessary to assess his creditworthiness.
2. A bank may grant credit to a natural person, legal person, or an unincorporated organisational having legal capacity, which is not creditworthy, on condition that:
 - 1) a special credit repayment security is provided;
 - 2) irrespective of the credit collateral, a financial recovery programme for the entity concerned is presented, implementation of which will, in the bank's opinion, ensure that

the borrower becomes creditworthy within a given period of time, whereby the financial recovery programme for the entity referred to above may be in particular constituted by an arrangement entered into as part of restructuring proceedings conducted in accordance with the Act of 15 May 2015 - Restructuring Law (Journal of Laws of 2020, items 814 and 1298).

3. A borrower will allow the bank to take any actions as may be necessary to assess the borrower's financial and economic situation and to monitor credit utilisation and repayment.
4. The provision of par. 2 applies accordingly when credit is granted to a new entrepreneur, legal person, or an unincorporated organisational unit, provided that it has legal capacity.
5. (repealed).
6. (repealed).

Article 70a.

1. Banks and other institutions statutorily authorised to grant credits at the request of a natural person, legal person or an organisational unit without legal personality, provided that it has legal capacity, applying for a credit shall provide a written explanation concerning the performed assessment of the applicant's creditworthiness.
2. The explanation referred to in paragraph 1 shall include information on factors, including the applicant's personal data, which affected the performed assessment of creditworthiness.
3. In the case of entrepreneurs, the bank and other institution statutorily authorised to grant credits may charge a fee for the preparation of the explanation referred to in paragraph 1. The amount of that fee must be appropriate to the credit amount.
4. The provisions of paragraphs 1 to 3 shall apply accordingly to the entrepreneur applying for a cash loan.

Article 71.

The minister responsible for financial institutions, after consulting the Polish Financial Supervision Authority, may define, by way of a regulation, the types of exposures listed in Articles 400.2 and 493.3 of Regulation No. 575/2013, to which the provision of Article 395.1 of the Regulation shall not be applied, with a view to reflecting the factual burden of business risk on the bank's own funds resulting from exposure concentration.

Article 72.

(repealed).

Article 73.

1. Banks may enter into an agreement on the establishment of a bank consortium in order to grant credit jointly.
2. In the agreement referred to in par. 1, banks will determine the conditions for the grant of credit and the security to be provided, and will indicate a bank entitled to conclude a credit agreement.
3. The banks referred to in par. 1 will bear the risk related to the joint grant of credit in

proportion to the amount of funds contributed to that credit.

Article 74.

In the period of a credit agreement, a borrower is under the obligation to provide, at the bank's request, such information and documents as may be necessary to assess the borrower's financial and economic situation and to monitor credit utilisation and repayment.

Article 75.

1. Where a borrower fails to observe the terms of the credit or has lost creditworthiness, the bank may, subject to Article 75c, reduce the amount of the credit granted or terminate the credit agreement.
2. Unless the parties agree on a longer period, the period of notice is 30 days in the case referred to in par. 1, or 7 days if a borrower is threatened with bankruptcy.
3. A credit agreement cannot be terminated on the grounds of the borrower losing its creditworthiness or being threatened with bankruptcy where the bank has agreed to the implementation of a remedial programme by the borrower.
4. The provisions of par. 3 apply in the entire period of implementation of the remedial programme, unless that bank determines that the remedial programme is not implemented properly.

Article 75a.

1. Unless otherwise provided for in a credit agreement, the credit repayment date is binding on both parties.
2. If the parties agree on the time for credit repayment of more than one year, a borrower may terminate the agreement with three months' notice.

Article 75b.

1. No additional costs are incurred by the borrower who exercises the right referred to in Article 69.3.
2. A bank cannot make the exercise of the right referred to in Article 69.3 by the borrower contingent on any additional limitations imposed on the borrower; in particular, a bank cannot impose an obligation on the borrower to purchase foreign currency to be used for the principal and interest payments, or for repayment of credit, either in part or in full, from any specific entity.
3. Where a borrower is a consumer within the meaning of the Act of 23 April 1964 - the Civil Code, no fee is charged for the opening and operation of the account referred to in Article 69.3.
4. The provisions of par. 1-3, and of Article 69.2 (4a) and 69.3, apply accordingly to agreements relating to loans of money.

Article 75c.

1. If a borrower is late with the payment of their credit liabilities, the bank requests that the

borrower make the payment, setting a period of not less than 14 working days.

2. In the request referred to in paragraph 1, the bank informs the borrower about the possibility of filing an application for debt restructuring within 14 working days from the date of receipt of the request.
3. The bank should, upon application of the borrower, enable debt restructuring by changing the conditions or due dates of credit repayment specified in the agreement, if such restructuring is justified by the evaluation of the financial and economic situation of the borrower carried out by the bank.
4. The restructuring referred to in paragraph 1 shall be performed on terms and conditions agreed between the bank and the borrower.
5. The bank, in the case of rejecting the borrower's application for debt restructuring, shall communicate to the borrower, without undue delay, a detailed explanation in writing concerning the reason for the rejection of the application for debt restructuring.
6. The provisions of paragraphs 1 to 5 shall apply accordingly to agreements relating to loans of money.

Article 76.

The terms of interest are specified in the credit agreement, subject to the provision that, where a variable interest rate is applied:

- 1) the credit agreement should specify the conditions for changing that variable interest rate,
- 2) the borrower, guarantor, and - unless otherwise provided for in the agreement - other parties who are the bank's debtors under a credit security, should be notified of each change in the interest rate, in the manner specified in the agreement.

Article 76a.

In the case of any delays in the repayment of credit by a borrower, the bank shall immediately notify the parties who are the bank's debtors under a credit security of any such delay, in the manner specified in the agreement.

Article 77.

A credit agreement may provide that a separate commission fee will be payable to a bank on the amount of credit which was made available to a borrower but has not been drawn.

Article 77a.

A bank may accept an instruction to grant credit to a third party. Any such instruction is invalid unless submitted in writing. If this is the case, the person who submits the instruction will act as a guarantor of the future debt, unless otherwise provided for in the agreement.

Article 78.

The provisions on the credit repayment security and credit interest rate apply accordingly to any agreements relating to a loan of money concluded by a bank.

Article 78a.

The provisions of this Act apply to credit and loan agreements concluded by a bank in accordance with the Consumer Credit Act of 12 May 2011, to the extent not provided for therein.

Article 79.

1. A bank may not apply more favourable terms, including, in particular, more favourable interest rates, than the terms applied by that bank to a given type of agreements, when operating bank accounts and when granting credits, loans of money bank guarantees and sureties to:

- 1) the bank's parent undertakings or subsidiary undertakings;
- 2) entities operating in the same holding as the bank;
- 3) the bank's subsidiaries and associates within the meaning of the Accounting Act of 29 September 1994;
- 4) its shareholders or members;
- 5) the bank's employees, or the bank's management board or supervisory board members;
- 6) employees, management board or supervisory board members of the bank's parent undertaking;
- 7) entities having capital or organisational links with:
 - a) the bank's shareholder and member,
 - b) member of the bank's management board, supervisory board, or a person holding a managerial position in the bank.

2. The bank will determine the terms of granting credits, loans of money, guarantees and sureties referred to in par. 1, in the form of separate regulations, and will keep their separate records.

Article 79a.

1. Any grant of credit, loan of money, bank guarantee or surety to a member of the bank's management board or supervisory board, or to a person holding a managerial position in the bank, should be in accordance with the regulations adopted by the supervisory board.
2. Consent in the form of a resolution of the bank's management board and a resolution of the bank's supervisory board is required for any grant of credit, loan of money, bank guarantee or surety to a member of the bank's management board or supervisory board in the total amount of the respective commitment exceeding EUR 10,000 converted to PLN at the average exchange rate announced by the National Bank of Poland on the date of the grant of that credit, loan of money, bank guarantee or surety. Such resolutions are adopted without the participation of the party concerned, by secret ballot, by majority of at least 2/3 of votes with at least 50% of members present.
3. The provisions of par. 1 and 2 apply accordingly to any grant of credit, loan of money, bank guarantee or surety to an entity having capital or organisational links with a member of the bank's management board or supervisory board, or with a person holding a managerial

position in the bank.

4. The aggregate amount of credits, cash loans, bank guarantees and sureties referred to in paragraphs 1 and 3 shall not exceed:

- 1) in a bank incorporated as a joint-stock company and in a state bank - 10 % of the common equity Tier I capital referred to in Article 50 of Regulation No. 575/2013,
- 2) in a cooperative bank - 25 % of the common equity Tier I capital referred to in Article 50 of Regulation No. 575/2013,

- with the value of credits, cash loans, bank guarantees and sureties determined in the manner in which the bank calculates the exposure referred to in Article 395 of Regulation No. 575/2013.

5. A person holding a managerial position in a bank is an employee reporting directly to a management board member, the director of a branch office and his deputy, and chief accountant.

Article 79b.

1. A bank shall notify the Polish Financial Supervision Authority of any grant of credit, loan of money, bank guarantee or surety to a member of the bank's management board or supervisory board, a person holding a managerial position in the bank, a shareholder, a member of a co-operative bank, and to any entity having capital or organisational links with such persons, if the amount of a single commitment exceeds the equivalent of EUR 30,000 converted to PLN at the average exchange rate announced by the National Bank of Poland on the date of the grant of credit, loan of money, bank guarantee or surety.

2. The provision of par. 1 does not apply to a shareholder who only holds shares admitted to trading in a regulated market and representing no more than 5% of votes at a general meeting.

Article 79c.

The provisions of Article 79a and 79b shall also apply to other commitments reported as off-balance sheet items, other than bank guarantees and sureties, granted to the persons referred to in Article 79.1 or at their instruction.

Chapter 6

Bank Guarantees, Sureties, and Letters of Credit

Article 80.

Banks may grant and confirm bank guarantees and sureties, and open and confirm letters of credit, at the instruction of their clients.

Article 81.

1. A bank guarantee is a unilateral commitment of a bank as a guarantor that, upon the fulfilment of the specific conditions of payment by an eligible person (beneficiary of a guarantee), which may be confirmed by the documents specified in that commitment and attached by the beneficiary to a payment claim drawn up in a specified form, the bank will

make a payment to the beneficiary of that guarantee - directly or through another bank.

2. A bank guarantee is invalid unless it is granted and confirmed in writing.

Article 82.

A transfer of a bank guarantee is made together with a transfer of a claim secured by that guarantee.

Article 83.

1. A bank may confirm a commitment of another bank arising from a bank guarantee, in which case any claims under that guarantee may be presented either to the bank that has granted the guarantee or to the bank that has confirmed it, or to both those banks at the same time, until all claims of the creditor are fully satisfied.

2. The provisions of par. 1 apply accordingly to the bank's confirmation of any commitments arising from a surety granted by another bank.

Article 84.

The provisions of the Civil Code apply to bank guarantees and to sureties granted by banks, subject to the provision that a bank's commitment is always a pecuniary obligation.

Article 85.

1. A bank, acting at the instruction of a client but on its own behalf (a bank opening a letter of credit), may undertake in writing towards a third party (beneficiary) to pay a specified sum to the beneficiary of that letter of credit, upon the fulfilment of all conditions specified in that letter of credit by the beneficiary (documentary letter of credit).

2. A documentary letter of credit should specify, in particular: name and address of the originator and of the beneficiary, amount and currency of the letter of credit, date of expiry of the letter of credit, and description of documents that must be presented in order for the beneficiary to claim payment under the letter of credit.

3. The commitment of a bank opening a letter of credit becomes due upon presentation of the required documents by the beneficiary in accordance with the terms of the letter of credit.

4. The provisions of par. 1-3 apply accordingly to standby letter of credits.

Article 86.

1. A bank, acting at the instruction of a client but on its own behalf (a bank opening a letter of credit), may undertake in writing towards another bank to return the amounts paid to a beneficiary or to repurchase bills of exchange drawn by the beneficiary to a designated bank (traveller's letter of credit).

2. A traveller's letter of credit should specify, in particular: name and address of the person entitled to make withdrawals, amount and currency of the letter of credit, and its expiry date.

3. The commitments of a bank opening a letter of credit become due upon the receipt of payment by the beneficiary in accordance with the terms of the letter of credit, provided that the beneficiary presents an identity document.

4. If a traveller's letter of credit provides that the payment is contingent on the fulfilment by the beneficiary of conditions other than those referred to in par. 3, the payment will be made only after all those conditions have been fulfilled.

Article 86a.

The provisions of Articles 82 to 86 apply accordingly, unless otherwise agreed by the parties.

Article 87.

1. The limitation period for any claims arising from bank guarantees and sureties granted by banks, and from letters of credit becoming payable, is 6 years.
2. The limitation period for claims arising from guarantees and letters of credit starts on the date when a valid claim for payment is submitted, and the claim will remain enforceable during that period, even if the obligation to which a guarantee or a letter of credit was related has already expired.

Article 88.

(repealed).

Chapter 6a

Structured deposits

Article 88a.

In the scope of performing the activities referred to in Article 5.1 (1) concerning structured deposits and activities referred to in Article 5.2 (11) and (12) (services regarding structured deposits), the bank, in addition to the provisions of the present Chapter, shall apply the directly applied provisions of EU law within the scope they apply to entering into structured deposit contracts, mediation in entering into structured deposit contracts, and consulting in relation to structured deposits.

Article 88b.

1. Upon a written request of the entity other than defined in Article 3 (39b) (a) to (m) of the Act of 29 July 2005 on Trading in Financial Instruments and within the scope defined in such a request, the bank may regard that entity as a professional customer provided that it has the knowledge and experience which allow it to take appropriate decisions in the scope of structured deposits and perform appropriate risk assessment in connection with these decisions. Prior to examining the request, the bank shall be obliged to determine the knowledge of the customer about the principles of handling professional customers when providing services in relation to structured deposits to which the request pertains.
2. The bank may, in accordance with Article 45 (3) (b) of Regulation 2017/565, within the scope of services regarding structured deposits, regard the customer as a retail customer.
3. The bank may, in accordance with Article 45 (3) (a) of Regulation 2017/565 and on the principles defined in Article 71 (2) to Article 71 (4) of that Regulation, within the scope of

services regarding structured deposits, regard an eligible counterparty as a retail or professional customer.

4. The bank shall, within the scope of services regarding structured deposits, divide customers into categories, grouping them accordingly into retail customers, professional customers, or eligible counterparties.

Article 88c.

1. While providing services regarding structured deposits, the bank shall be obliged to operate in a reliable and professional manner, in accordance with the principle of fair trading and in the best interests of its customers. The bank shall be obliged to apply solutions and procedures ensuring immediate, honest, and due performance of services in relation to structured deposits.

2. Information provided by the bank to the customers or potential customers, including information disseminated by the bank for the purposes of advertising and promoting services in relation to structured deposits, should be reliable and cannot raise any doubts or be misleading. Information disseminated for the purposes of advertising or promoting services in relation to structured deposits provided by the bank shall be marked in a manner that does not raise any doubts as information disseminated for these purposes. It shall be considered that information is disseminated in a reliable manner that does not raise any doubts nor is misleading if the bank meets the conditions referred to in Article 44 of Regulation 2017/565.

3. The contents and form of the information referred to in paragraph 2 shall be presented in such a manner so that the customer or potential customer to whom the information is directed or who may familiarise themselves with such information will be able to comprehend the nature of a given service and the risk connected therewith, and to make an informed decision.

4. The bank shall, taking account of Articles 45 to 51 and Article 61 of Regulation 2017/565, at an appropriate time, provide adequate and relevant information concerning:

- 1) the bank and services in relation to structured deposits provided by that bank;
- 2) the costs and fees connected with the provision of services in relation to structured deposits provided by that bank.

5. In the event of performing the activity referred to in Article 5.2 (12), the bank, in accordance with Article 52 of Regulation 2017/565, shall also provide information on:

- 1) the independent or non-independent nature of the performed activity;
- 2) the scope of structured deposits being the subject of the analysis for the purpose of providing recommendations, particularly information on the degree to which the scope of the analysis pertains to structured deposits offered by entities remaining in close relationship with the bank or by entities remaining with it in such legal, personal, or property relationship which could create a risk of infringing upon the independent nature of the performed activity;
- 3) frequency of performing periodical assessment of the adequacy of structured deposits, if the bank undertook to perform such an assessment.

6. If the activity referred to in Article 5.2 (12) is performed independently, the bank, taking account of Article 53 of Regulation 2017/565, shall:

- 1) include an adequate type of available structured deposits and their number in the scope of the analysis, in an adequately varied manner in order to ensure that the recommendation is adequate and that it implements investment purposes in a proper manner;
 - 2) not include in the scope of the analysis structured deposits offered only by entities remaining in close relationship with the bank or by entities remaining with it in such legal, personal, or property relationship which could create a risk of infringing upon the independent nature of the performed activity.
7. The provisions of paragraphs 2 to 5 shall not be applied if services regarding structured deposits are an element of other services regulated in the Act of 12 May 2011 on Consumer Credit, Act of 23 March 2017 on Mortgage and Supervision over Mortgage Intermediaries and Agents (Journal of Laws of 2020, item 1027) or in separate provisions defining the informational obligations towards the customers or potential customers.

Article 88d.

1. The bank, in connection with providing services in relation to structured deposits, cannot accept nor transfer any pecuniary benefits, including payments and commissions, nor any non-pecuniary benefits, except:
 - 1) pecuniary or non-pecuniary benefits accepted from the customer or from a person operating in their name, and pecuniary and non-pecuniary benefits provided to the customer or a person operating on their behalf;
 - 2) pecuniary or non-pecuniary benefits accepted by a third person or transferred thereto which are necessary to provide a given service in relation to structured deposits for the benefit of the customer, in particular:
 - a) costs due to storing funds entrusted by the customer,
 - b) payments for the supervision authority,
 - c) taxes, public and legal receivables, and other payments, which result from legal provisions,
 - d) payments connected with currency exchange;
 - 3) pecuniary and non-pecuniary benefits other than those defined in subparagraphs (1) and (2) if:
 - a) they are received or transferred for the purpose of improving the quality of a given service in relation to structured deposits provided by the bank to the customer,
 - b) their acceptance or transfer does not have an adverse effect on the bank operating in a reliable and professional manner, in accordance with the principles of fair trading and in the best interest of the customer,
 - c) information on the benefits, including their nature and amount, and if the amount of such benefits cannot be estimated - on the manner of determining their amount, has been transferred to the customer or potential customer in a reliable, accurate, and understandable manner prior to commencing the provision of a given service in relation to structured deposits, whereas this condition shall be deemed as met also if the customer or potential customer receives the information prepared in a consolidated form.

2. In the case of performing the activity referred to in Article 5.2 (12) independently, the bank may not accept pecuniary benefits nor non-pecuniary benefits from a third entity in connection with the performance of this activity.
3. The provision of paragraph 2 shall not apply to small non-pecuniary benefits accepted by the bank if:
 - 1) these benefits may improve the quality of the activity referred to in Article 5.2 (12) performed for the customer;
 - 2) the total amount and nature of these benefits would not adversely affect the bank's observance of the obligation to operate in the best interest of the customer;
 - 3) information on the benefits, including their nature and amount, and if the amount of such benefits cannot be estimated - on the manner of determining their amount, has been transferred to the customer or potential customer in a reliable, accurate, and understandable manner prior to commencing the performance of the activity referred to in Article 5.2 (12), whereas these benefits cannot be described in a general manner.
4. The bank shall inform the customer of changes to the scope of information transferred in accordance with paragraph 1 (3) (c) and paragraph 3 (3) if these changes are connected with services related to structured deposits provided to the customer.

Article 88e.

1. The bank providing services in relation to structured deposits shall ensure that the manner of remunerating the engaged persons and assessing the work provided thereby to the bank does not cause them to act in an unreliable and unprofessional manner, contrary to the best interests of the customers. For this purpose, the bank shall develop, implement, and apply the remuneration policy and practices by properly applying the provision of Article 27 of Regulation 2017/565.
2. In the case of performing the activity referred to in Article 5.2 (12), the manner of remunerating and assessing the work cannot encourage recommendations the subject of which is a given structured deposit if another structured deposit would be more adequate for the customer and would achieve their goals better.
3. The manner of remunerating referred to in paragraphs 1 and 2 concerns awarding remuneration in the form of any pecuniary or non-pecuniary benefits transferred by the bank directly or indirectly to persons engaged in the provision of services to the customers.

Article 88f.

1. If:
 - 1) the service in relation to structured deposits is to be provided under a single contract together with another service, the bank shall inform the customer prior to entering into the contract whether it is possible to separately enter into a contract for the provision of a service in relation to structured deposits and a contract for the provision of other services, and if this proves possible, shall submit a separate list of costs and fees connected with individual contracts to the customer;
 - 2) entering into a contract for the provision of a service in relation to structured deposits

is a prerequisite to entering into a contract for the provision of another service, or entering into a contract for the provision of another service is a prerequisite to entering into a contract for the provision of a service in relation to structured deposits, the bank shall inform the customer prior to entering into the contract whether it is possible to enter into one of these contracts, and if this proves possible, shall submit a separate list of costs and fees connected with individual contracts to the customer.

2. If the risk resulting from:

- 1) entering into a contract with a retail customer, under which the service in relation to structured deposits is to be provided together with another service, may differ from the risk resulting from entering into a separate contract for the provision of a service in relation to structured deposits, the bank shall inform the customer of the same and present a description of the risk resulting from individual services provided under the contract and the manner in which simultaneous provision of these services changes the risk level;
- 2) entering into a contract for the provision of a service in relation to structured deposits with a retail customer as a prerequisite to entering into a contract for the provision of another service, or entering into a contract for the provision of another service with a retail customer as a prerequisite to entering into a contract for the provision of a service in relation to structured deposits, may differ from the risk resulting from entering into a contract for the provision of a service in relation to structured deposits without such conditions, the bank shall inform the customer of the same and present a description of the risk resulting from individual services and the manner in which simultaneous provision of these services changes the risk level.

Article 88g.

1. While performing the activity referred to in Article 5.2 (12), the bank shall obtain adequate information from the customer or potential customer concerning their:

- 1) knowledge and experience in the scope of investing on the financial market;
- 2) financial situation, including capacity to incur losses;
- 3) investment goals, including the level of acceptable risk.

2. The information referred to in paragraph 1 shall be obtained from the customer or potential customer in order to enable the bank to grant recommendations which shall be appropriate for them due to their personal situation or investment needs, in particular the capacity to incur losses and the level of acceptable risk.

3. While performing the activity referred to in Article 5.2 (12), the bank shall provide the retail customer, on a durable medium, with a report including a confirmation of the adequacy of the recommendation with an explanation of the causes for which the recommendation is appropriate therefor.

4. By appropriately applying the provisions of Article 54 and Article 55 of Regulation 2017/565, the bank, on the basis of the information referred to in paragraph 1, shall assess the adequacy of a structured deposit and prepare the report referred to in paragraph 3.

Article 88h.

1. The bank providing services in relation to structured deposits the construction of which makes it difficult for the customer or potential customer to understand the risk connected with the return rate or understand the costs of terminating the structured deposit contract before the deadline shall obtain from the customer or potential customer adequate information concerning their knowledge and experience in the scope of investing on the financial market, in order to assess whether this service is adequate therefor. In the cases referred to in Article 88f.1, the assessment shall determine whether the contract entered into under the circumstances defined in Article 88g.1 is adequate for the customer or potential customer.
2. If on the basis of the information referred to in paragraph 1, the bank ascertains that the service in relation to structured deposits is inadequate for the customer or potential customer, it shall immediately inform the customer or potential customer of the same.
3. If the customer or potential customer fails to submit the information referred to in paragraph 1 or presents insufficient information, the bank shall inform them that lack of such information prevents it from assessing whether the service in relation to structured deposits is adequate for that customer or potential customer.
4. The bank shall obtain the information referred to in paragraph 1, assess the adequacy of the service in relation to structured deposits, and store information concerning the performed assessment, applying the provisions of Article 55 and Article 56 of Regulation 2017/565 accordingly.
5. The provisions of paragraphs 1 to 4 shall not apply to a bank providing services in relation to structured deposits if:
 - 1) the contract is entered into upon the initiative of the customer or potential customer and
 - 2) the customer or potential customer has been informed by the bank that entering into a contract is not connected with the obligation referred to in paragraph 1 and that they will not take advantage of the protection which would be provided to them if the bank performed such an obligation, and
 - 3) the bank meets the requirements connected with managing conflicts of interests.
6. If the contract is entered into as a result of directing individualised information on the bank, structured deposit, or a service in relation to structured deposits to the customer or potential customer, it shall be assumed that it has not been entered into in a manner defined in paragraph 5 (1).

Article 88i.

1. The bank that, while providing services to the customer in relation to structured deposits, uses another bank, credit institution, investment firm, or foreign investment firm as an intermediary may perform the assessment referred to in Article 88g and Article 88h on the basis of information pertaining to the customer or potential customer, received from these entities, and deem the assessment made by these entities as correct.
2. The bank that is an intermediary in the provision of a service in relation to structured deposits to another bank, credit institution, investment firm, or a foreign investment firm and transfers thereto information on the customer or potential customer shall ensure the

completeness and reliability of this information and the correctness of the assessment performed in accordance with Article 88g and Article 88h.

Article 88j.

1. While providing a service in relation to structured deposits, the bank shall submit to the retail customer or professional customer, on a durable medium, regular reports connected with the performance of the contract for the provision of services in relation to structured deposits, taking account of the type and complexity of the structured deposits being the subject of the provided service, the nature of the provided service in relation to structured deposits, and costs connected with these services provided to the customer.
2. If the bank, while performing the activity referred to in Article 5.2 (12) for the retail customer, provided a recommendation thereto and undertook to conduct periodical assessment of its adequacy under a contract, it shall regularly submit to the customer an assessment of this recommendation, indicating whether it remains adequate for that customer.

Article 88k.

1. The bank shall maintain an enterprise's organisation in a manner ensuring:
 - 1) adequate number of persons performing work for it, required to adequately provide services in relation to structured deposits, and
 - 2) that the persons referred to in subparagraph (1) possess appropriate knowledge, competences, and experience in the scope of obligations entrusted, and that they maintain and improve their knowledge and competences.
2. The bank shall develop, implement, and apply procedures and other internal regulations to the extent necessary for the proper provision of services in relation to structured deposits. In the case of providing services in relation to structured deposits to retail customers, the bank shall develop, implement, and apply regulations on the provision of services in relation to structured deposits.
3. If the structure of a structured deposit prevents regulating the rights and obligations connected with the provision of services in relation to structured deposits in a uniform manner for all the customers to whom such services are provided, the requirement referred to in paragraph 2 shall not apply.
4. While performing the obligations referred to in paragraphs 1 and 2, the bank shall take account of the scope, scale and complexity of the operations conducted in the field of structured deposits.
5. The bank shall develop, implement, and apply a policy in the scope of providing services in relation to structured deposits, taking account of the characteristics and needs of the customers and potential customers and the risk level accepted thereby.
6. The bank:
 - 1) records phone calls held with customers in connection with structured deposit services;
 - 2) prepares reports, memos or recordings of calls held in a direct presence of a customer or potential customer in connection with structured deposit services.

- 6a. The bank registers, stores, and archives documents, call recordings, electronic correspondence as well as other information prepared, provided or received in connection with structured deposit services.
- 6b. The obligations specified in paragraphs 6 and 6a shall be performed by the bank in accordance with Articles 72 to 76 of Regulation 2017/565.
- 6c. The bank shall mark the date and exact time of preparation, provision or receipt of the information referred to in paragraphs 6 and 6a where such data do not arise from their content.
7. Subject to Articles 73 and 76.11 of Regulation 2017/565, the retention and archiving obligation referred to in paragraph 6a shall cease after 5 years have passed counting from the first day of the year following the year in which given documents or data media are produced or received, and in the case of rules and regulations, procedures, and other internal regulations - after 5 years have passed counting from the first day of the year following the year in which they ceased to apply. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may request that the bank continues to apply retention and archiving of such data or documents after the lapse of said time limit, but for no more than 7 years counting from the first day of the year following the year in which they were prepared, received or ceased to apply.
8. The obligation referred to in paragraphs 6 and 6a shall also comprise the recording of phone calls and electronic correspondence related to activities which could result in the provision of one of the structured deposit services, even if, as a result of these calls or correspondence, no such service would be ultimately provided. The obligation to record phone calls and electronic correspondence comprises the bank's equipment and private devices of its employees, on condition that the bank has approved the private devices of its employees to be used by the bank.
9. The bank informs customers or potential customers about the fact of recording of phone calls and electronic correspondence which would or could result in the provision of a structured deposit service prior to the commencement of such recording. The bank may inform a customer or potential customer once about the fact that it will record phone calls or correspondence in the future. The bank may not hold phone calls or engage in electronic correspondence if it has not informed the customer or potential customer about the fact that phone calls or correspondence will be recorded.
10. The bank shall take action preventing the bank's employees from making telephone calls or engaging in electronic correspondence with the use of devices of such employees approved for use by the bank if the bank is not able to record these phone calls or correspondence.

Article 88l.

1. The bank shall employ persons having appropriate knowledge and competences in the scope of:
- 1) transferring information on services in relation to structured deposits to customers or potential customers;
 - 2) performing the activities referred to in Article 5.2 (12).

2. The bank shall ensure that the persons referred to in paragraph 1 maintain and improve their knowledge and competences necessary to duly perform the obligations entrusted thereto.
3. The system established at the bank, of remunerating persons performing work for its benefit, who participate in the provision of services in relation to structured deposits, in particular handling the customer or potential customer, should support the performance of obligations referred to in Article 88c.1 and constitute a measure limiting the risk of a conflict of interest.

Article 88m.

1. While developing, implementing, and applying technical and organisational solutions in the scope of providing services in relation to structured deposits, the bank shall take the principles defined in Article 21 of Regulation 2017/565 into consideration.
2. The bank shall develop, implement, and apply a policy in order to ensure compliance of the bank's operations with legal provisions regulating the provision of services in relation to structured deposits and adequate and effective technical and organisational solutions in this scope, including the principles governing entering into transactions by relevant persons.
3. The bank shall perform the obligation referred to in paragraph 2 by accordingly applying the provisions of Article 22, Article 25, Article 26, Article 28, and Article 29 of Regulation 2017/565.
4. The bank shall develop, implement, and apply appropriate measures and procedures within the scope of managing conflicts of interests within the meaning of Article 33 of Regulation 2017/565, taking account of Article 34 and Article 35 of that Regulation.
5. The bank that develops a structured deposit shall develop, implement, apply, and review solutions connected with the structured deposit development process ensuring that the structured deposit and strategy for the distribution of this deposit are adequate for the target group.
6. The target group referred to in paragraph 5 shall be understood as a defined group of persons to whom a proposition of entering into a structured deposit contract is addressed directly or via other entities, with the needs, characteristics, or goals of which the structured deposit is compliant.
7. The distribution strategy referred to in paragraph 5 shall be understood as an intended manner in which a structured deposit contract may be entered into with a person from the target group.
8. The solutions referred to in paragraph 5 shall include in particular:
 - 1) defining a target group for a structured deposit taking account of the division of customers into categories in accordance with Article 88b.4;
 - 2) identification of significant risks connected with potential entering into a structured deposit contract by the target group in order to assess whether a structured deposit would be adequate for that target group;
 - 3) defining the distribution strategy of a structured deposit, if recommending, offering, entering into or enabling entering into a structured deposit contract is to be conducted both by the bank on its own and by the entities authorised to such action, whereas the

distribution strategy should be adequate for a defined target group;

4) checking, before developing a structured deposit, whether a structured deposit remains in accordance with the needs of a defined target group and whether the intended distribution strategy of this deposit is adequate for this target group;

5) regular review, performed taking account of events that could give rise to risks for the target group, whether a structured deposit remains in accordance with the needs of the defined target group and whether the intended distribution strategy of this deposit is adequate for this target group.

9. The bank that recommends, offers, or in another manner enables a structured deposit to be opened by persons from the target group shall develop, implement, apply, and review the solutions connected with the process of performing these activities ensuring that the structured deposit and distribution strategy are adequate for the target group.

10. The solutions referred to in paragraph 9 shall include in particular:

1) defining the target group of a structured deposit, also if the entity developing the structured deposit has failed to define the target group therefor;

2) defining a strategy for distributing a structured deposit appropriate for a given target group;

3) regular review, performed taking account of events that could give rise to risks for the target group, whether a structured deposit remains in accordance with the needs of the defined target group and whether the intended distribution strategy of this deposit is adequate for this target group.

11. If the bank intends to introduce significant changes in the scope of characteristics of a structured deposit, target group, or structured deposit distribution strategy, it shall be obliged to assess the planned changes. The provisions of paragraphs 5 and 8 shall apply accordingly.

12. If a structured deposit distribution strategy envisages using authorised third entities, the bank that develops the structured deposit shall disclose information on the structured deposit, manner of defining the target group, and distribution strategy of that structured deposit to these entities.

13. The bank that recommends, offers, enters into or enables entering into a structured deposit contract shall obtain from the bank that develops the structured deposit information on solutions defined in paragraph 8 and other information allowing to understand the characteristic of the structured deposit and the defined target group.

14. The bank that recommends, offers, enters into or enables entering into a structured deposit contract shall not be obliged to redefine a target group and distribution strategy if it has defined the target group or distribution strategy in connection with the development of the structured deposit.

Article 88n.

The minister responsible for financial institutions shall define, by way of a regulation:

1) the mode and conditions for activities of banks providing services in relation to structured deposits within the following scope:

a) regarding customers as professional customers or retail customers in accordance

with Article 88b.1 and Article 88b.2,

b) providing services in relation to structured deposits, including within the scope of providing services for customer categories referred to in Article 88b.4,

c) receiving or transferring any pecuniary or non-pecuniary benefits whatsoever in connection with the provision of services in relation to structured deposits,

d) transferring reports referred to in Article 88j.1, including their contents and deadlines of transferring them to the customer,

e) developing, recommending, offering, entering into or enabling entering into a structured deposit contract,

2) detailed criteria within the scope of meeting the requirements of having appropriate knowledge, competences, and experience by the persons referred to in Article 88k.1,

3) detailed criteria within the scope of meeting the requirements of having appropriate knowledge and competences by the persons referred to in Article 88l.1,

4) the mode and conditions of actions taken by banks providing services in relation to structured deposits when assessing and verifying whether the persons referred to in subparagraph (2) and (3) meet the requirements applied thereto in the scope of having appropriate knowledge, competences, and experience, as well as the mode and conditions of conduct in the scope of maintaining and improving the knowledge and competences of these persons

- in relation to banks providing services in relation to structured deposits conducting activities referred to in Article 5.1 (1) and Article 5.2 (11) and (12) with assurance of due diligence and customer protection, taking account of the need of ensuring professional, reliable, safe, and efficient provision of these services by the banks and taking account of the guidelines in the scope of principles of deeming the persons providing brokerage services as having appropriate knowledge and competences, issued by the European Securities and Markets Authority.

Chapter 7

Issue of Bank Securities

Article 89.

1. Banks may issue bank securities on terms that are made available to the public.
2. A bank will inform the Polish Financial Supervision Authority of the planned issuance programme of bank securities 30 days before the planned date of issue, specifying the terms and value of the securities issuance programme.
3. (repealed).

Article 90.

1. A bank security is used by banks as an instrument to gather funds in PLN or in other convertible currencies, and contains the words "bank security" in Polish inscribed in its name (*bankowy papier wartościowy*), and should specify:

- 1) the face value;

- 2) the bank's undertaking to:
 - a) calculate interest accrued at the agreed interest rate,
 - b) pay specified amounts to an eligible person, at the agreed dates; an eligible person may not claim a security to be redeemed by a bank before the agreed maturity date, unless the security provides otherwise;
- 3) the holder of the security in the case of registered securities, or information that the security is a bearer instrument;
- 4) the terms and conditions for the transfer of the rights arising from the security;
- 5) the number and date of issue of the security;
- 6) the signatures of person authorised to make statements regarding the bank's property rights and obligations.

2. The signatures referred to in par. 1 (6) may be reproduced by mechanical means.
3. Neither a bank security, nor any information regarding the terms of issue published by an issuer, will contain any comparisons with the terms of issue of securities of other issuers.
4. Banks may issue bank securities in book-entry form, in which case a security is registered in a depository maintained by the issuing bank, the National Depository for Securities [*Krajowy Depozyt Papierów Wartościowych S.A.*], an entity that has been assigned the tasks referred to in Article 48.1 (1) of the Financial Instruments Trading Act of 29 July 2005 by the National Depository for Securities, or an investment firm.
5. Where a bank security is issued in a book-entry form, all data referred to in par. 1 should be included in a certificate or any other document issued by a bank to an eligible person.
6. The rights arising from bank securities issued in book-entry form are established upon their first registration in a bank securities account and are granted to the holder of that account.
7. The rights arising from bank securities issued in book-entry form are transferred when an appropriate entry in a securities account is made on the basis of a relevant agreement. Unless otherwise provided for in that agreement, any benefits arising from bank securities, gained before that entry is made, are benefits of the acquirer.
8. Bank securities in dematerialised form may also be registered, pursuant to an agreement concluded by the bank with the National Depository for Securities or with an entity that has been assigned the tasks referred to in Article 48.1 (1) of the Financial Instruments Trading Act of 29 July 2005 by the National Depository for Securities, in a securities depository maintained in accordance with the provisions of that Act. If this is the case, the provisions of that Act concerning the rights attached to dematerialised securities apply to the establishment and transfer of the rights arising from bank securities.

Article 91.

Banks cannot grant credits or loans of money for the purchase of bank securities issued by them.

Article 92.

(repealed).

Chapter 8

Special Rights and Duties of Banks

Article 92a.

1. A bank may conclude the following agreements with an investment fund company that forms a securitisation fund or with a securitisation fund:

- 1) an agreement for the assignment of claims;
- 2) a sub-participation agreement.

2. The agreement referred to in par. 1 (2) cannot increase the risk of the bank's insolvency or reduce its liquidity.

3. A bank may also assign claims, by way of an agreement, to a Special-Purpose Vehicle company (the issuer SPV), other than an investment fund company that forms a securitisation fund or a securitisation fund, for that SPV to issue securities backed by such securitised assets.

4. The issuer SPV to which claims are assigned cannot have any capital or organisational links with the assigning bank, and its object may only include acquisition of claims and issuance of securities, as referred to in par. 3, and the related activities.

5. (repealed).

6. (repealed).

Article 92b.

1. A bank will maintain a register of claims listed in the agreement referred to in Article 92a.1 (2).

2. The claims referred to in par. 1 are entered in the register when the obligation arising from the agreement referred to in Article 92a.1 (2) has become effective.

3. The minister responsible for financial institutions shall define, by way of a regulation, the manner of keeping and the template of the registry of receivables listed in the agreement referred to in Article 92a.1 (2), taking account of the scope of data stemming from the agreement and the necessity of ensuring access of the Polish Financial Supervision Authority to the data necessary to correctly exercise supervision.

Article 92ba.

1. The bank shall provide the bank account holder being a natural person, the person who has obtained a legal title to the inheritance left by the account holder, and the succession administrator with summary information regarding:

- 1) bank accounts of the account holder, including joint accounts-without providing the details of the co-holder;
- 2) bank account agreements of the account holder that have been terminated or that have expired for reasons referred to in Article 59a.1 to 59a.3;

- 3) bank accounts of the account holder operated in *spółdzielcze kasy oszczędnościowo-kredytowe* [credit unions], including joint accounts-without providing the details of the co-holder;
 - 4) bank account agreements of the account holder operated in *spółdzielcze kasy oszczędnościowo-kredytowe* [credit unions] that have been terminated or that have expired for reasons referred to in Articles 13a.1 to 13a.3 of the Act of 5 November 2009 r. on Credit Unions (Journal of Laws of 2020, items 1643 and 1639).
2. The summary information shall indicate the entity that operates or used to operate a given bank account and the numbers of the bank accounts arising from the bank account agreement, and provide information on whether the bank accounts are still operated.
 3. The bank shall be obliged to provide to the supplier referred to in Article 4.2 (1) to (3) and (9) of the Act of 19 August 2011 on Payment Services, excluding *Krajowa Spółdzielcza Kasa Oszczędnościowo-Kredytowa* [the National Savings and Credit Union] information on:
 - 1) the bank accounts of the account holder, including joint accounts - without providing the details of the co-holder;
 - 2) the bank accounts of the account holder held in a savings and credit union, including joint accounts - without providing the details of the co-holder.
 4. The information referred to in paragraph 3 shall indicate the entity that operates the accounts.

Article 92bb.

1. Banks shall be obliged to maintain a central database concerning bank accounts, hereinafter referred to as "Central Database". Banks may establish a commercial company for that purpose.
2. A Central Database may be maintained by a clearing house as referred to in Article 67.

Article 92bc.

1. Banks shall be obliged to obtain summary information and the information referred to in Article 92ba.3 from the Central Database immediately after receiving a written request from the person referred to in Article 92ba.1 and verifying that person's legal title or immediately after receiving a written request from the supplier referred to in Article 4.2 (1) to (3) and (9) of the Act of 19 August 2011 on Payment Services, excluding *Krajowa Spółdzielcza Kasa Oszczędnościowo-Kredytowa* [the National Savings and Credit Union]. Banks shall be obliged to deliver summary information and the information referred to in Article 92ba.3 to the person who submitted the request or the supplier referred to in Article 4.2 (1) to (3) and (9) of the Act of 19 August 2011 on Payment Services, excluding *Krajowa Spółdzielcza Kasa Oszczędnościowo-Kredytowa* [the National Savings and Credit Union], immediately after obtaining such information from the Central Database.
2. A fee may be charged for the provision of summary information and the information referred to in Article 92ba.3, with the stipulation that the fee shall not exceed the cost of generating such information.

Article 92bd.

1. A bank operating a bank account shall be obliged to provide the information referred to in Articles 92ba.1 and 92ba.3 to the Central Database free of charge. A co-operative bank may provide such information through an affiliating bank.
2. A bank shall provide the information referred to Articles 92ba.1 and 92ba.3 without delay, but not later than within 3 working days from the date of receipt of a request from the Central Database.

Article 92c.

(repealed).

Article 92d.

A bank may enter into an agreement on a credit derivative or any agreement other than those referred to in Article 92a.1 and 92a.3, providing for the transfer of the entire or a part of risk relating to that bank's claims.

Article 93.

1. In order to secure claims arising from banking operations, a bank may require a security that is provided for in the Civil Code and the Bills of Exchange Law Act, and that is customary in domestic and foreign trade.
2. A bank may deduct a claim that is not yet mature from its payables, if winding-up proceedings are instituted against a debtor, and in all cases when the bank has the right to collect its receivables before their maturity. The deduction may not include claims from bank accounts attached to the extent necessary to enforce claims relating to tax liabilities.

Article 93a.

1. In an agreement concluded with entities that are members of a capital group for tax purposes, within the meaning of the Corporate Income Tax Act, represented by the parent undertaking of that group, a bank may establish a consolidated interest rate on the funds deposited in bank accounts of such entities and on credits and loans granted to such entities.
2. The consolidated interest rate referred to in par. 1 is calculated on a difference between the sum of balances of bank accounts of the entities forming a capital group for tax purposes, and the sum of receivables from credits and loans granted to such entities.
3. Unless otherwise provided for in the agreement referred to in par. 1, the funds deposited in bank accounts and the credits and loans for which a consolidated interest rate was established, will bear no interest.

Article 94.

(repealed).

Article 95.

1. Books of account of banks and excerpts from such books, and other statements signed by

persons authorised to make statements regarding the property rights and obligations of banks, bearing a bank stamp, as well as receipts of the collection of receivables drawn up in that manner, are valid as official legal documents in relation to the rights and obligations arising from banking operations and from any security established in respect of a bank, and may constitute a basis for making entries in land and mortgage registers.

- 1a. The legal validity of the official documents referred to in par. 1 does not apply to any such documents in the context of the civil procedure.
2. A banking operation or any transaction securing claims of a bank, confirmed in a document referred to in par. 1, will have a certified date as of the date of that document.
3. The documents referred to in par. 1 constitute a basis for making an entry for a mortgage in a land and mortgage register of an immovable property owned by a bank's debtor or any other person who registered a mortgage in favour of a bank in order to secure the amounts receivable from the bank's debtor. If no land and mortgage register is maintained for the immovable property, the security may be provided by including such documents in the respective file.
4. In order to establish the mortgage referred to in par. 3, the owner of that immovable property must submit a statement confirming the establishment of a mortgage in favour of the bank; the statement is invalid unless made in writing.
5. The provisions of paragraphs 1 to 4 shall apply accordingly to the disclosure in a land and mortgage register of a change to the subject of mortgage as well as to making a mortgage entry encumbering perpetual usufruct, co-operative right to premises, and mortgage liability.
6. The provisions of paragraphs 1 to 3 shall apply accordingly to the transfer of mortgage in connection with the disposal of a bank receivable.

Article 96.

(repealed).

Article 97.

(repealed).

Article 98.

(repealed).

Article 99.

(repealed).

Article 99a.

(repealed).

Article 100.

(repealed).

Article 101.

1. A bank's claims may be secured by transferring the title to immovable property or to securities to a bank by a debtor or a third party, until the debt is repaid with interest and commission fees.
2. In the case of a transfer of a title to an item of tangible property or a group of such items of a specific type, a debtor or a third party are under the obligation to separate and designate that item or a group of items, and, unless otherwise provided for in the agreement, keep a record of any changes related to the transferred property.

Article 102.

1. In order to secure a bank's claims, a debtor or a third party may transfer the title to a specific sum denominated in PLN or in any other convertible currency to a bank. A bank is under the obligation to refund that sum after the debt is repaid with interest and commission fees.
2. A bank is under no obligation to refund a part of the transferred sum equal to the outstanding amount of a debt in respect of the bank, interest and commission fees due, and other costs incurred by the bank in order to collect its receivables.
3. A bank may pay remuneration to a debtor or to a third party referred to in par. 1 for a period of utilisation of the transferred sum.

Article 103.

(repealed).

Article 104.

1. A bank, its employees, and persons acting as intermediaries of banking operations, are bound by the obligation of secrecy in relation to bank secrets, which includes all information relating to a banking operation obtained in the course of negotiations, and during the conclusion and performance of the agreement under which that operation is performed by the bank.
2. The obligation referred to in par. 1 does not apply in cases where:
 - 1) the proper performance of the agreement under which that banking operation is performed or the proper performance of the activities related to the conclusion and performance of that agreement, will not be possible without the disclosure of the information that constitutes a bank secret, given the nature and type of that banking operation or the applicable regulations;
 - 2) information that constitutes a bank secret is disclosed to entrepreneurs or foreign entrepreneurs who:
 - a) will perform the operations connected with banking activities delegated by the bank in accordance with the provisions of Article 6a.1 and Articles 6b-6d, on a permanent or temporary basis,
 - b) will perform the activities delegated by the bank in accordance with the provisions of Article 6a.7,
 - c) have been entrusted with the performance of activities in accordance with Article

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- to the extent necessary to ensure their proper performance;
- 3) information that constitutes a bank secret is disclosed to attorneys at law or legal counsels in connection with the legal assistance provided by them to the bank;
- 4) the disclosure of information that constitutes a bank secret is necessary to conclude and implement agreements on the disposal of claims classified as a loss under separate regulations;
- 5) the disclosure of information that constitutes a bank secret is necessary to conclude and implement the agreements referred to in Article 92a.1 and the related agreements:
 - a) on the assignment of investment ratings to securitised debts,
 - b) on the insurance against the risk of insolvency of debtors in relation to securitised debts;
- 6) the disclosure of information that constitutes a bank secret is necessary to conclude and implement the agreements referred to in Article 92a.3 and Article 92.d, and the related agreements:
 - a) on the assignment of investment ratings to securitised debts,
 - b) on the servicing of securitised debts,
 - c) on the organisation and implementation of securities issue,
 - d) on the insurance against the risk of insolvency of debtors in relation to securitised debts;
- 7) the disclosure of information to other banks, credit institutions, or financial institutions in the same financial holding is necessary to ensure the proper performance, in accordance with the applicable regulations, of the obligations relating to the prevention of money laundering and the financing of terrorism;
- 7a) the provision of information to the main entity in a financial conglomerate or regulated entities within the meaning of Article 3 (4) of the Supplementary Supervision Act that falls within a financial conglomerate is necessary for proper performance of the duties set forth in the provisions of law in terms of counteracting money laundering and terrorist financing;
- 8) where disclosure of the information that constitutes banking secrecy is necessary in order to perform reverse mortgage agreements in accordance with the Act of 23 October 2014 on Reverse Mortgage (Journal of Laws of 2016, item 786);
- 9) where disclosure of information constituting banking secrecy by an affiliated cooperative bank to the affiliating bank is necessary to carry out the internal control and the activities defined in Article 19.1 of the Act on Functioning of Cooperative Banks, their Affiliation, and Affiliating Banks;
- 10) where disclosure of information constituting banking secrecy by a bank participating in the protection system referred to in Article 22b.1 of the Act on Functioning of Cooperative Banks, their Affiliation, and Affiliating Banks to the competent authority of the protection system or another participant of the system is necessary to:
 - a) control the liquidity risk and the insolvency risk of a participant of the protection system and is carried out on the basis and within the limits defined in the Act on

Functioning of Cooperative Banks, their Affiliation, and Affiliating Banks and in the protection system agreement,

b) carry out the internal control,

c) enable the competent authority of the protection system or the participant of the protection system appointed by that authority to undertake necessary activities aimed at ensuring, to the participant bound by the obligation of bank secrecy, protection against insolvency or liquidity loss in accordance with the principles defined in the Act on Functioning of Cooperative Banks, their Affiliation, and Affiliating Banks and in the protection system agreement;

11) the disclosure of information constituting banking secrecy is necessary for carrying out compulsory debt restructuring, in accordance with the provisions of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring;

12) information subject to banking secrecy shall be disclosed to the Bank Guarantee Fund, the minister responsible for public finance, the protection scheme managing unit referred to in Article 22d.1 (2) of the Act on the Functioning of Co-operative Banks, their Affiliation, and Affiliating Banks, or an affiliating bank, and is necessary to conclude or perform agreements for the establishment of financial security on credit receivables in accordance with the provisions of the Act of 2 April 2004 on Certain Types of Financial Security (Journal of Laws of 2020, item 103).

3. The bank shall not be bound, subject to paragraphs 4 and 4a, by the obligation of banking secrecy towards a person whom the information under secrecy concerns. Such information may be disclosed to third parties, subject to Articles 105, 106a, and 106b, solely where the person whom the information concerns authorises the bank in writing to forward specified information to a person or organisational unit indicated thereby. Such an authorisation may also be granted in electronic form. In such a case, the bank shall be obliged to record the authorisation expressed in such a way on an electronic data carrier within the meaning of Article 3 (1) of the Act of 17 February 2005 on Informatisation of Entities Performing Public Tasks.

4. A bank, its employees, and persons acting as intermediaries of banking operations, are bound by the obligation of secrecy in relation to the information regarding the provision of information to the Police in accordance with the provisions of Article 20.4 to 20.10 of the Police Act of 6 April 1990 (Journal of Laws of 2020, items 360, 956 and 1610), and in relation to the notification referred to in Article 20.13 thereof. The obligation of secrecy applies to the parties to an agreement, other persons whom that information concerns, and to third parties.

4a. The provision of paragraph 4 shall be applied accordingly to information granted to authorities of the National Tax Administration on the principles defined in Article 127a.1 and Article 127a.2 of the Act of 16 November 2016 on the National Tax Administration (Journal of Laws of 2020, items 505, 568, 695, 1087 and 1106) and to the notice referred to in Article 127a.12 thereof.

5. The entities and their employees, to whom information that constitutes bank secrets was provided or disclosed, in accordance with par. 2 (1), (2) and (4)-(6), may use such

information only to conclude and perform the agreements referred to in par. 2 (1), (2), and (4)-(6).

6. The provision of par. 5 applies accordingly to the attorneys at law and legal counsels to whom the information that constitutes a bank secret was disclosed in connection with the legal assistance provided by them to the bank.

Article 105.

1. A bank is under the obligation to provide information that constitutes a bank secret only to:

1) other banks and credit institutions, to the extent that such information is necessary to perform banking operations and for the purposes of acquisition and disposal of claims;

1a) subject to the condition of reciprocity - other institutions entitled by law to grant credits - as regards the claims and bank account operations and balances, to the extent that such information is necessary to grant credits, loans of money, bank guarantees and sureties;

1b) other banks, credit institutions, or financial institutions, to the extent that such information is necessary to:

a) ensure compliance with the applicable regulations on consolidated supervision, including, in particular, the preparation of consolidated financial statements covering the bank,

b) manage the risks relating to large exposures,

c) apply internal approaches as well as other methods and models referred to in the provisions of the third part of Regulation No. 575/2013;

1c) the institutions referred to in paragraph 4, to the extent necessary to apply the internal approaches and other methods and models as referred to in the provisions of the third part of Regulation No. 575/2013;

1d) other banks, savings and credit unions, *Krajowa Spółdzielcza Kasa Oszczędnościowo-Kredytowa* [the National Savings and Credit Union], and the clearing house referred to in Article 67, or the commercial company referred to in Article 92bb.1, to the extent necessary to provide the summary information referred to in Article 92ba.1 or the summary information referred to in Article 105c;

1e) other banks, savings and credit unions, and the clearing house referred to in Article 67, or the commercial company referred to in Article 92bb.1, to the extent necessary to provide the information referred to in Article 92ba.3;

1f) the Head of the National Tax Administration and the clearing house referred to in Article 67, within the scope necessary to properly perform their tasks and obligations referred to in Section IIIb of the Act of 29 August 1997 - Tax Ordinance;

1g) suppliers providing the service of initiating a payment transaction who are referred to in Article 2 (4d) of the Act of 19 August 2011 on Payment Services, within the scope necessary to provide the service of initiating a payment transaction;

1h) suppliers providing access to account information who are referred to in Article 2 (4e) of the Act of 19 August 2011 on Payment Services, within the scope necessary to provide access to account information;

1i) payment service providers within the meaning of the Act of 19 August 2011 on Payment Services, within the scope necessary to perform the obligations defined in Article 143a.1 (2), Article 143b.2, Article 143c.2 and Article 143c.5 of that Act;

1j) insurance companies, reinsurance companies, parent insurance entities, parent insurance entities not regulated or mixed parent insurance entities in the extent necessary to perform the provisions of group supervision referred to in the Act of 11 September 2015 on Insurance and Reinsurance Activity (Journal of Laws of 2020, items 895 and 1180) which apply to said entities, and within the scope necessary to perform the provisions of supplementary supervision exercised pursuant to the Supplementary Supervision Act which apply to said entities;

2) at the request of:

- a) the Polish Financial Supervision Authority, within the scope of supervision performed under this Act and the Financial Market Supervision Act of 21 July 2006, employees of the Office of the Polish Financial Supervision Authority to the extent provided for in Article 139.1 (2), and persons authorised by resolution of the Polish Financial Supervision Authority to the extent specified in that authorisation,
- b) a court or a public prosecutor in connection with pending proceedings concerning a criminal offence or a fiscal offence:
 - against a natural person being a party to an agreement concluded with the bank, insofar as such information concerns that natural person,
 - committed in connection with the activity of a legal person or an organisational unit without legal personality, insofar as such information concerns that legal person or organisational unit;
 - specified in Article 165a or Article 299 of the Act of 6 June 1997-The Criminal Code (Journal of Laws of 2020, items 1444 and 1517), hereinafter referred to as "Criminal Code";
 - concerning the conclusion of an agreement for banking activities with a natural person, a legal person, or an organisational unit without legal personality, in order to verify whether such agreements have been concluded and to verify the duration of such agreements;
- c) a court or a public prosecutor in connection with a request for legal assistance submitted by a foreign state having the right to request for information that constitutes a bank secret in accordance with a ratified international agreement that is binding on the Republic of Poland,
- d) a court in connection with inheritance proceedings, or proceedings relating to the division of property between spouses, or proceedings relating to maintenance payments or maintenance-like pension instituted against a natural person who is party to an agreement,
- da) a court in connection with the pending proceedings concerning intellectual property, where it is necessary to determine the source or extent of an infringement of intellectual property rights, insofar as referred to in Article 479¹¹⁵ § 2 of the Act of 17 November 1964 – Code of Civil Procedure,
- e) the Head of the National Tax Administration, the head of a customs and tax office

or the head of a tax office, in accordance with the procedure and the principles set out in the provisions of the National Tax Administration Act of 16 November 2016:

- in connection with pending criminal proceedings or proceedings in fiscal offence cases against a natural person being a party to the contract entered into with a bank,
- in connection with pending criminal proceedings or proceedings in fiscal offence cases committed in the scope of operations of a legal person or organisational unit without legal personality which is the holder of the account,
- if necessary for the effective prevention or detection of criminal offences or fiscal offences or for the identification of the perpetrators and collection of evidence, as well as for the detection and identification of objects and other financial benefits obtained through criminal offence or fiscal offence or their equivalents - within the scope referred to in Article 127a of the Act of 16 November 2016 on the National Tax Administration,

- in connection with the initiated customs and tax inspection, tax inspection or pending tax proceedings or audit activities referred to in Article 99a (2) of the Act of 16 November 2016 on the National Tax Administration,

- in connection with the pending analytical activities referred to in Article 49a of the Act of 16 November 2016 on the National Tax Administration,

f) President of the Supreme Audit Office to the extent necessary to conduct the audit proceedings referred to in the Act on the Supreme Audit Office of 23 December 1994 (Journal of Laws of 2020, item 1200),

g) (repealed),

h) *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund], to the extent specified in the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring, and authorised employees of *Bankowy Fundusz Gwarancyjny*, to the extent specified in the relevant authorisation,

i) a statutory auditor authorised to audit the bank's financial statements under an agreement concluded with that bank,

j) (repealed),

k) the Internal Security Agency, Military Counterintelligence Service, Foreign Intelligence Agency, Military Intelligence Service, Central Anticorruption Bureau, Police, Military Gendarmerie, Border Guards, Prison Service, and *Służba Ochrony Państwa* [the State Protection Service], as well as their officers or soldiers holding written authorisations, to the extent necessary to perform control activities pursuant to the regulations on the protection of confidential information,

l) the Police, to the extent necessary for the effective prevention or detection of criminal offences or for the identification of their perpetrators and collection of evidence, as well as for the detection and identification of objects and other financial benefits obtained through criminal activity or their equivalents, in accordance with the rules and the procedure laid down in Article 20 of the Police Act of 6 April 1990,

la) *Żandarmeria Wojskowa* [the Military Police], to the extent necessary for the effective prevention or detection of criminal offences or for the identification of their perpetrators and collection of evidence, as well as for the detection and identification

of objects and other financial benefits obtained through criminal activity or their equivalents, in accordance with the rules and the procedure laid down in Article 40b of the Act of 24 August 2001 on the Military Police and Military Law Enforcement Units (Journal of Laws of 2020, items 431 and 956),

ł) a court bailiff, with regard to bank accounts or powers of attorney to administer bank accounts, the number of those accounts or powers of attorney, the turnovers and balances of those accounts, with an indication of debit and credit transactions and their descriptions, as well as their recipients and senders, respectively, to an extent necessary for the court bailiff to conduct properly enforcement proceedings, proceedings to secure claims, and to take other actions related to the bailiff's statutory tasks,

ła) the Minister of Justice, to the extent necessary to perform the tasks of the information authority in accordance with Article 14 of Regulation (EU) No 655/2014 of the European Parliament and of the Council of 15 May 2014 establishing a European Account Preservation Order procedure to facilitate cross-border debt recovery in civil and commercial matters (OJ L 189, 27.06.2014, p. 59),

m) issuers of payment instruments other than banks, to the extent provided for in the Payment Services Act of 19 August 2011,

ma) tax remitter within the meaning of the Act of 19 August 2011 on Payment Services, within the scope defined in Article 143b and Article 143c.6 thereof,

n) the President of the Personal Data Protection Office, within the scope necessary to perform the statutory tasks,

o) a coordinator, in connection with the exercise of supplementary supervision of a financial conglomerate within the meaning of the Supplementary Supervision Act,

p) Head of the Central Anticorruption Bureau, in the manner and on the terms provided for in Article 23 of the Act on the Central Anticorruption Bureau of 9 June 2006 (Journal of Laws of 2019, items 1921 and 2020 and 2020, item 1610),

q) the competent supervisory authority, if it is necessary to ensure the consolidated supervision of the bank performed by that authority; and in the case of a competent supervisory authority from a country other than a Member State - if that authority has entered into an agreement with the Polish Financial Supervision Authority, as referred to in Article 141f.3,

r) the President of the Office of Competition and Consumer Protection:

– to the extent provided for in the Act of 30 April 2004 on the Procedural Issues Concerning State Aid (Journal of Laws of 2020, item 708),

– in relation to pending proceedings before the President of the Office of Competition and Consumer Protection conducted pursuant to the provisions of the Act of 16 February 2007 on Competition and Consumer Protection (Journal of Laws of 2020, items 1076 and 1086),

– in relation to pending proceedings before the President of the Office of Competition and Consumer Protection conducted pursuant to the provisions of the Act of 15 December 2016 on Counteracting the Unfair Use of Contractual Advantage in the Trade in Agricultural and Food Products (Journal of Laws of 2020, item 1213),

- in relation to proceedings pending before the President of *Urząd Ochrony Konkurencji i Konsumentów* [the Office of Competition and Consumer Protection] conducted pursuant to the Act of 8 March 2013 on Counteracting Excessive Delays in Commercial Transactions (Journal of Laws of 2020, items 935 and 1086),
- s) public prosecutor, the Police, and other authorities entitled to conduct pre-trial proceedings in the cases relating to criminal offences or investigation activities in the cases relating to summary offences - to the extent provided for in Article 78.4 of the Road Traffic Law Act of 20 June 1997 (Journal of Laws of 2020, items 110, 284, 568, 695, 1087 and 1517),
- t) (repealed),
- u) the entity referred to in Article 45.1 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring, to the extent necessary to ensure the correct payment of guaranteed funds,
- v) an administrative enforcement body and the central liaison office referred to in Article 9 of the Act of 11 October 2013 on Mutual Assistance for the Recovery of Claims Relating to Taxes, Customs Duties, and Other Cash Receivables (Journal of Laws of 2020, item 765), within the scope of:
 - the given entity’s:
 - bank accounts or powers of attorney to administer bank accounts, the number of those accounts or powers of attorney, the turnovers and balances of those accounts, with an indication of debit and credit transactions and their descriptions, as well as their senders and recipients, respectively,
 - cash accounts, securities accounts, or powers of attorney to administer such accounts, the number of those accounts, as well as the turnovers and balances of those accounts,
 - agreements concluded by the given entity:
 - credit or loan agreements, including information on the amount of liabilities resulting from those credits or loans, their intended purposes, and the types of collaterals used,
 - deposit agreements,
 - agreements concerning the provision of safe-deposit boxes,
 - State Treasury shares or State Treasury bonds acquired by the given entity through banks, as well as transactions in such securities;
 - the given entity’s transactions in deposit certificates or other securities issued by banks
 - in connection with pending enforcement proceedings, proceedings to secure claims, and the performance of other activities related to the statutory tasks of those bodies.
- w) (repealed);
- wa) Rzecznik Finansowy [the Financial Ombudsman] referred to in Article 11 of the Act of 5 August 2015 on the Examination of Complaints by Financial Market Entities and the Financial Ombudsman (Journal of Laws of 2019, item 2279) in the scope necessary to enable the Financial Ombudsman to carry out their statutory tasks;
- x) the Polish Financial Supervision Authority in the case of receiving a request to

disclose information necessary for the correct conduct of the tasks in the scope of supervision over the capital market as well as in matters connected with the exercise of this supervision from a body supervising the capital market and having its registered office in a Member State, or from a body supervising the capital market with the registered office in another state, if the Polish Financial Supervision Authority has entered into the agreement referred to in Article 20.2 of the Act of 29 July 2005 on Capital Market Supervision (Journal of Laws of 2020, item 1400) with that body;

y) inspectors of audit associations bringing together cooperative banks under an agreement concluded with the cooperative bank,

z) Head of *Agencja Bezpieczeństwa Wewnętrznego* [the Internal Security Agency], according to the procedure and rules specified in Article 34a of the Act of 24 May 2002 on the Internal Security Agency and the Intelligence Agency (Journal of Laws of 2020, item 27),

za) the Internal Supervision Inspector, if necessary for the effective prevention or detection of criminal offences or for the identification of the perpetrators and collection of evidence, as well as for the detection and identification of objects and other financial benefits obtained through criminal activity or their equivalents, in accordance with the rules and the procedure laid down in Article 11p of the Act of 21 June 1996 on Special Forms of Supervision Exercised by the Minister Responsible for Internal Affairs (Journal of Laws of 2020, item 13),

zb) the voivodeship marshal, within the scope necessary to implement the statutory tasks referred to in Article 30.1 of the Act of 24 November 2017 on Tourism Events and Associated Tourism Services (Journal of Laws of 2019, item 548 and of 2020, item 568) in connection with a tourism trust account held by tourism operators or entrepreneurs facilitating the acquisition of associated tourism services;

zc) the Insurance Guarantee Fund to the extent necessary for the Fund to perform its tasks related to making withdrawals from the Tourism Refund Fund or the Tourist Aid Fund referred to in Article 15ka and Article 15kc of the Act of 2 March 2020 on Specific Solutions Associated with Preventing, Counteracting and Combating COVID-19, Other Infectious Diseases and Crisis Situations Caused Therefrom (*Dziennik Ustaw* item 374, as amended);

3) the National Bank of Poland, in connection with the control activities and collection of data necessary to prepare a balance of payments and the international investment position, and to other banks licensed to act as intermediaries for money transfers abroad made by residents, and for domestic settlements with non-residents, to the extent provided for in the Foreign Exchange Law Act of 27 July 2002 (Journal of Laws of 2019, item 160 and of 2020, item 284).

2. The scope and principles of the disclosure of information by banks to tax authorities, to National Tax Administration authorities, and to the trustee and the trustee's deputy within the meaning of the Act of 29 August 1997 on Mortgage Bonds and Mortgage Banks (Journal of Laws of 2020, item 415) shall be regulated by separate acts of law.

2a. At the written request from the Social Insurance Institution, banks are under the obligation to prepare and provide the information on the bank accounts of payers of social insurance contributions, and to provide such data as may be necessary to identify the holders of such accounts.

2b. At the written request from a body responsible for paying out insurance or social security benefits, or remuneration for retired public servants, banks are under the obligation to prepare and provide such data as may be necessary to identify joint holder(s) of a joint account to which such benefits or remuneration were paid for a period following the death of the beneficiary.

3. Banks or other institutions entitled by law to grant credits, state institutions, and persons to whom bank secrets have been disclosed, are under the obligation to use such information only within the scope of the approval provided for in par. 1.

4. Banks, in co-operation with banking chambers of commerce, may establish institutions authorised to collect, process, and provide the following information:

1) to banks - information constituting banking secrecy to the extent to which such information is necessary to perform banking operations and in connection with the use of internal approaches and other methods and models referred to in the third part of Regulation No. 575/2013;

2) to other institutions entitled by law to grant credits - the information that constitutes bank secrets, to the extent that such information is necessary to grant credits, loans of money, bank guarantees and sureties;

3) credit institutions - information constituting banking secrecy in the scope necessary to assess the creditworthiness of a consumer, referred to in Article 9 of the Act of 12 May 2011 on Consumer Credit;

4) to lending institutions and entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit - by way of reciprocity, the information constituting, respectively, banking secrecy and information rendered available by lending institutions and entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit, in the scope necessary to enable assessment of the consumer's creditworthiness referred to in Article 9 of that Act, and credit risk analysis;

5) to the protection scheme managing unit or affiliating bank - information subject to banking secrecy to the extent necessary to perform its tasks as set forth in Article 19.2, Article 22i.1 and 22i.3 to 22i.5, as well as Article 22v.2 of the Act on the Functioning of Co-operative Banks, their Affiliation, and Affiliating Banks.

4a. The institutions established in accordance with the provision of par. 4 may provide data by tele-transmission, subject to the provisions of par. 4a¹ and 4a², to business and credit information agencies acting pursuant to the Act on the provision of business information and exchange of business data of 9 April 2010 (Journal of Laws of 2020, item 389).

4a¹. Data may be provided in accordance with par. 4a if a creditor applying for the disclosure of that data has obtained a written approval from a person to whom that data applies. The approval must define the scope of data to be provided.

4a². The method of the provision of data is specified in an agreement on co-operation between the institution established in accordance with par. 4 and a business information

agency. The agreement should contain a standard form of the approval referred to in par. 4a¹.

4b. Banks may provide data on the liabilities arising from agreements connected with the performance of banking operations, to the agencies referred to in par. 4a, if such agreements contain clauses on the provision of such data to those agencies.

4c. The clauses referred to in par. 4b will specify the conditions under which banks may provide the data referred to in Article 14.1 and 15.1 of the Act referred to in par. 4a.

4d. The institutions established in accordance with par. 4 may provide data on the liabilities arising from agreements connected with the performance of banking operations, to the financial institutions being subsidiaries of banks, if such agreements contain clauses on the provision of such data to those financial institutions.

4e. Institutions created on the basis of paragraph 4 may render available, to the lending institutions and entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit, information constituting banking secrecy, provided that the person whom the information under secrecy concerns grants their written authorisation to provide such information.

4f. The consumer's consent may be also expressed electronically. In such a case, the lending institution or the entity referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit is obliged to record the authorisation expressed in such a way on an electronic data carrier within the meaning of Article 3 (1) of the Act of 17 February 2005 on the Informatisation of Entities Performing Public Tasks.

4g. Before rendering information available pursuant to paragraph 4e, the institutions created based on paragraph 4 shall check whether the consumer has given authorisation to render the information available in the form referred to in paragraph 4e or 4f.

4h. The institutions created pursuant to paragraph 4 and the lending institutions and entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit shall exchange data enabling identification of the consumer, including the contact data of the latter, and the information about the consumer's liabilities.

4i. The banks and institutions referred to in paragraphs 4 (2) and 4 (3) are obliged to notify the institutions created pursuant to paragraph 4 of the total repayment of liabilities, their expiry, declaration of their non-existence, adjustment of their amounts, and of newly created liabilities and their update, within 7 days as of the occurrence of the circumstances justifying provision of the information. An institution created pursuant to paragraph 4 is obliged to enter the information referred to in the preceding sentence to the file in which the information is processed within 7 days as of its receipt at most.

5. Banks will be held liable for any damage resulting from the disclosure of bank secrets and from the use of such bank secrets contrary to their intended purpose.

6. Banks will not be held liable for any damage resulting from the disclosure of bank secrets by the persons and institutions authorised under this Act to request for the disclosure of bank secrets by banks.

7. The minister responsible for financial institutions, after consulting the Polish Financial Supervision Authority, shall define, by way of a regulation, the detailed scope of data subject to exchange referred to in paragraph 4h, taking account of adequate protection of the persons whom the information concerns and with a view to enable assessment of creditworthiness of

a consumer and a credit risk analysis.

Article 105a.

1. Banks, other institutions authorised by statute to grant credits, lending institutions and the entities referred to in paragraph 59d of the Act of 12 May 2011 on Consumer Credit, as well as institutions created on the basis of Article 105.4, may process the information constituting banking secrecy and information rendered available by lending institutions and the entities referred to in paragraph 59d of the Act of 12 May 2011 on Consumer Credit, in the scope concerning natural persons, subject to Articles 104, 105 and 106 to 106d, in order to assess creditworthiness and conduct credit risk analysis.

1a. Banks, other institutions having a statutory authorisation to grant credits, lending institutions, entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit and institutions established on the basis of Article 105.4 may, for the purpose of assessing creditworthiness and analysing credit risk, make decisions based solely on automated processing, including profiling, of personal data, including data which constitutes a banking secret, provided that the person whom the automated decision concerns is guaranteed the right to receive appropriate explanations regarding grounds for the decision made, to obtain a human intervention in order to obtain another decision and to express his/her own position.

1b. The decisions referred to in paragraph 1a can be made solely based on data necessary due to the purpose and type of the credit, in particular based on the following categories of data:

1) data concerning a natural person:

- a) forename(s) and surname,
- b) family name,
- c) parents' names,
- d) date and place of birth,
- e) age,
- f) sex,
- g) citizenship,
- h) marital status,
- i) number and series of an identity card or other document confirming identity,
- j) PESEL (Personal Identification Number), where assigned,
- k) taxpayer identification number, where assigned,
- l) place of residence, place of permanent or temporary residence, current place of temporary residence other than the place of residence or permanent residence, correspondence address,
- m) legal title to the occupied dwelling,
- n) place of work,
- o) occupation,
- p) education,
- q) form of employment,
- r) financial situation, including income and expenses,
- s) dependents,
- t) matrimonial property regime;

2) data concerning the liability:

- a) source of the liability,
- b) amount and currency,
- c) number and status of the account kept at a bank or other institution having a statutory authorisation to grant credits, the name and address of the registered office or branch of that bank or other institution statutorily authorised to grant credits,
- d) date on which the liability arose,
- e) terms of repayment of the liability,
- f) established legal collaterals,
- g) liability repayment history,
- h) debt under the liability,
- i) expiry date of the liability,
- j) reason for the non-performance of the liability or delay referred to in paragraph 3,
- k) reasons for expiry of the liability.

1c. The decisions referred to in paragraph 1a may not be made based on the data referred to in Article 9 of Regulation 2016/679.

2. The institutions referred to in paragraph 1 may, subject to the provision of paragraph 3, process the information constituting banking secrecy and information rendered available by lending institutions and the entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit, in the scope concerning natural persons, after the expiry of the liability resulting from an agreement concluded with a bank, another institution authorised by statute to grant credits, lending institution or the entity referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit, provided that they obtain a written authorisation of the person whom the information concerns, subject to paragraph 2a. The consent may be withdrawn at any time.

2a. Authorisation of such a person may also be granted in electronic form. In such a case, the banks, institutions, and entities referred to in paragraph 1, are obliged to record the authorisation expressed in such a way on an electronic data carrier within the meaning of Article 3 (1) of the Act of 17 February 2005 on the Informatisation of Entities Performing Public Tasks.

3. The banks, institutions, and entities referred to in paragraph 1 may process the information constituting banking secrecy and information rendered available by lending institutions and the entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit, concerning natural persons, after the expiry of the liability resulting from an agreement concluded with a bank, another institution authorised by statute to grant credits, lending institution or the entity referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit, without the authorisation of the person whom the information concerns, where the person in question did not satisfy the liabilities or was guilty of delay of more than 60 days in fulfilment of an obligation under an agreement concluded with a bank, another institution authorised by statute to grant credits, lending institution or the entity referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit, and, following the occurrence of these circumstances, at least 30 days passed since that person was notified by the bank or another institution authorised by statute to grant credits, lending institution, or the entity referred to in

Article 59d of the Act of 12 May 2011 on Consumer Credit, about the intention to process the information concerning that person without their consent.

4. Banks and the institutions referred to in Article 105.4 may process the information constituting banking secrecy related to natural persons after the liability resulting from the agreement concluded with the bank or another institution authorised by statute to grant credit expires, without the consent of the person whom the information concerns, for the purposes of applying the internal approaches and other methods and models referred to in the third part of Regulation No. 575/2013.

5. In the case referred to in par. 3, information that constitutes bank secrets may be processed for a period not longer than 5 years from the date of expiry of an obligation, and in the case referred to in par. 4 - for a period of 12 years from that date.

6. The information to be processed in accordance with the provisions of par. 3 and 4 may include data applying to a natural person or to an obligation.

7. The competent minister in charge of financial institutions, after consultation with the competent supervisory authorities, shall define, by regulation, the detailed scope of the information to be processed in accordance with the provisions of par. 6, as well as the procedures applied to delete such information, having regard to the necessary protection of the rights of the persons to whom such information applies, and the need to ensure the safekeeping of funds deposited in banks and other institutions entitled by law to grant credits.

Article 105b.

The entities referred to in Article 105.1 (2) (a) to (h), (k) to (l), (p), (s), (t), and (v), within the limits of the powers arising from those provisions, as well as gminas, having received the notification referred to in Article 111c informing about the death of the account holder, shall be entitled to obtain the summary information referred to in Article 92ba.1 from any bank.

Article 105c.

The entity referred to in Article 105.1 (2) (la) shall, within the limits of the powers arising from that provision, be entitled to obtain from the Central Database the summary information referred to in Article 92ba.1, with the reservation that the summary information may also concern accounts of account holders not being natural persons.

Article 106.

1. A bank shall be obliged to counter the use of its activity for purposes related to the criminal offence referred to in Article 165a or Article 299 of the Criminal Code.
2. The procedures to be applied by a bank in the event of the circumstances referred to in par. 1 are defined in a separate act of law.
3. (repealed).
4. (repealed).
5. (repealed).

Article 106a.

1. If there is reasonable suspicion that the bank's activities are used to conceal any criminal activity or for any purposes connected with a fiscal offence or any offence other than a criminal offence referred to in Article 165a or Article 299 of the Criminal Code, the bank will notify the public prosecutor, the Police, or any other competent authority entitled to conduct pre-trial proceedings.
2. The public prosecutor, the Police, and any other competent authority entitled to conduct pre-trial proceedings, after receiving the notification referred to in par. 1, may request for additional information, also in the course of the activities performed in accordance with Article 307 of the Act of 6 June 1997 - the Code of Criminal Procedure (Journal of Laws of 2020, items 30, 413, 668, 1086 and 1458).
3. In the case of a justified suspicion that the funds accumulated on the bank account originate in part or in full from a fiscal offence or an offence other than the offence referred to in Article 165a or Article 299 of the Criminal Code or are connected with such an offence, the bank shall have the right to block the funds on this account. The blockade may be effected solely up to the amount of funds accumulated on the account which are the object of this suspicion.
- 3a. If there is a reasonable suspicion that the criminal offence referred to in Article 165a or Article 299 of the Criminal Code has been committed or that bank's activities have been used to conceal any criminal activity or for any purposes related to a criminal offence or a fiscal offence, the public prosecutor may, by way of a decision, suspend a specific transaction or block funds on a bank account for a fixed period, not longer than 6 months, also despite the absence of the notification referred to in paragraph 1. The decision shall specify the extent, manner, and period of the suspension of the transaction or the blocking of funds on the bank account.
4. In the circumstances referred to in par. 3, funds cannot be blocked in an account for more than 72 hours.
5. Immediately after blocking funds in an account, as referred to in par. 3, the bank will notify a public prosecutor thereof.
6. Within the time limit specified in paragraph 4, the public prosecutor shall issue a decision on the initiation of proceedings or on refusal to initiate proceedings and shall immediately notify the bank concerned of that decision. The time limit specified in Article 307 § 1 of the Code of Criminal Procedure shall not apply. If proceedings are initiated, the public prosecutor may, by way of a decision, suspend a specific transaction or block funds in a bank account for a fixed period, not longer than 3 months from the receipt of the notification referred to in paragraph 5. The decision shall specify the extent, manner, and time limit for the suspension of the transaction or the blocking of funds in the bank account.
7. The decision of a public prosecutor on the blocking of funds in a bank account may be appealed to the court of appropriate jurisdiction to examine the case.
8. The suspension of a transaction or the blocking of funds in a bank account shall become invalid if a decision on a hold on property or a decision on material evidence is not issued before 3 months have passed from the issuance of the decision referred to in paragraph 3a or the receipt of the notification referred to in paragraph 5.
9. In matters relating to the blocking of funds in a bank account not provided for in this Act,

the provisions of the Code of Criminal Procedure apply.

10. A bank cannot be held liable for any damage arising from the performance of the obligations referred to in par. 3-5 in good faith. If this is the case, where the circumstances referred to in par. 3-5 were not connected with any criminal offence or the concealment of any criminal activity referred to in par. 1, the State Treasury is held liable for any damage resulting from the blocking of funds in an account.

11. (repealed).

Article 106b.

1. In cases other than those referred to in Articles 105 and 106a, the public prosecutor in charge of the proceedings relating to a criminal or fiscal offence may require the disclosure of information that constitutes bank secrets by a bank, its employees, or any persons acting as intermediaries in banking operations, only on the basis of a decision issued at the prosecutor's request by a regional court of appropriate jurisdiction.

2. The request referred to in par. 1 should specify:

- 1) the case number or reference
- 2) the description of the offence with its legal classification, to which pre-trial proceedings apply,
- 3) the circumstances justifying the need to disclose such information,
- 4) the person or organisational unit to which such information applies,
- 5) the entity obliged to disclose such information and data,
- 6) the type and scope of such information.

3. After that request is analysed, the court will either issue a decision to disclose such information, specifying the type and scope of the information to be disclosed, the person or organisational unit to which it applies, and the entity obliged to disclose it, or will refuse to approve the disclosure of such information.

4. The decision referred to in par. 3 may be appealed by the public prosecutor who applied for that decision.

5. A public prosecutor authorised by a court will inform the entity obliged to disclose such information of the contents of the court's decision, specifying the person or organisational unit to which such information will apply, and the type and scope of such information.

Article 106c.

In the cases referred to in Article 105.1 (2) (b) and (c), the public prosecutor in charge of the proceedings may, on the basis of a decision issued upon that prosecutor's request by a regional court of appropriate jurisdiction, require the disclosure of information that constitutes bank secrets by any entities that have received such information from a bank. The provisions of Article 106b.2 to 106b.5 apply accordingly.

Article 106d.

1. Banks, other institutions having a statutory authorisation to grant credits, clearing houses established pursuant to Article 67, institutions established pursuant to Article 105.4, lending

institutions, entities whose core object of activity consists in making assets available under a lease agreement, and entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit may process information, including information which constitutes a banking secret, and make it available to each other in the case of:

- 1) well-founded suspicions referred to in Article 106a.3;
- 2) well-founded suspicions of criminal offences committed to the detriment of banks, other institutions having a statutory authorisation to grant credits, credit institutions, financial institutions, lending institutions, and entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credits as well as their customers, in order and to the extent necessary to prevent such offences;
- 3) performing obligations to the extent specified in provisions on counteracting money laundering and terrorism financing.

2. The entities specified in paragraph 1 may process information, including information which constitutes a banking secret and information concerning judgements of conviction, in the case of criminal offences committed to the detriment of banks, other institutions having a statutory authorisation to grant credits, credit institutions, financial institutions, lending institutions, and entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credits as well as their customers, in order and to the extent necessary to prevent such offences.

Article 106e.

Article 15 of Regulation 2016/679 does not apply to the processing of personal data by banks, other institutions having a statutory authorisation to grant credits, institutions established pursuant to Article 105.4, lending institutions, entities whose core object of activity consists in making assets available under a lease agreement, and entities referred to in Article 59d of the Act of 12 May 2011 on Consumer Credit, insofar as necessary to properly perform tasks related to counteracting money laundering and terrorism financing, in accordance with Article 106, and to prevent criminal offences, in accordance with Article 106a and 106d.

Article 107.

A bank employee who does not report the circumstances referred to in Article 106.1, which constitutes a breach of his duties, will be held liable under disciplinary liability, which does not exclude criminal liability if such an act constitutes a criminal offence.

Article 108.

A bank cannot be held liable for any damage arising from the performance of the obligations referred to in par. 106.1 in good faith. If this is the case, where the circumstances referred to in par. 106.1 were not connected with any criminal offence or the concealment of any criminal activity, the State Treasury is held liable for any damage resulting from the suspension of banking operations.

Article 109.

1. Within the scope of its activities, a bank may issue general terms and conditions of contracts and agreements or internal regulations applying to:
 - 1) the terms of opening and operating bank accounts,
 - 2) the types of credits granted and the terms of credit and loan agreements,
 - 3) the conditions of providing access to safe deposit boxes,
 - 4) the terms of other services provided by the bank.
2. The general terms and conditions of contracts and agreements or internal regulations referred to in par. 1 are binding on the parties to an agreement, unless other rights and obligations are agreed by such parties.
3. A person with special needs referred to in the Act on the Provision of Accessibility to Persons with Special Needs of 19 July 2019 (Journal of Laws of 2020, item 1062) has the right to receive general terms and conditions of contracts and agreements or internal regulations in such formats as an audio recording, a video recording of contents in Polish sign language, a printout in Braille or a printout made with a font size that is easy to read, within 7 days from reporting such need.
4. The contents of general terms and conditions as well as internal regulations is made available in formats available for persons with special needs, referred to in the Act on the Provision of Accessibility to Persons with Special Needs of 19 July 2019, including via electronic banking systems.

Article 110.

Banks may charge commission fees and charges for the performance of banking operations provided for in an agreement, as well as fees for other activities, including the fees charged for the preparation and drawing up of any information that constitutes bank secrets, and for making that information available to any persons, authorities, and institutions entitled to receive such information under this Act, except in the cases when such information is made available upon the request of:

- 1) a court or a public prosecutor, in the course of criminal proceedings or proceedings relating to a fiscal offence;
- 2) a public prosecutor's office in the cases when a bank's activities are used for any purposes connected with a criminal offence referred to in Article 299 of the Criminal Code;
- 3) any persons authorised by resolution of the Polish Financial Supervision Authority and a banking supervision inspector;
- 4) a National Tax Administration authority, within the scope regulated by separate acts of law;
- 5) the Social Insurance Institution, in matters relating to the bank accounts of payers of social insurance contributions and to such data as may be necessary to identify the holders of such accounts;
- 6) the Internal Security Agency, Military Counterintelligence Service, Foreign Intelligence Agency, Military Intelligence Service, Central Anticorruption Bureau,

Police, Military Gendarmerie, Border Guards, Prison Service, and *Slużba Ochrony Państwa* [the State Protection Service], in relation to the control activities conducted pursuant to the regulations on the protection of confidential information;

7) public prosecutor, the Police, and other authorities entitled to conduct pre-trial proceedings in the cases relating to criminal offences or investigation activities in the cases relating to summary offences - within the scope of the information disclosed for the purposes of such proceedings;

8) (repealed).

Article 111.

1. A bank is under the obligation to make available the following information, in a place where its operations are performed and in a form that is generally accessible:

1) the interest rate on the funds deposited in bank accounts and on credits and loans;

2) the commission fees and charges applied;

3) the dates for capitalisation of interest;

4) the currency exchange rates used;

5) the balance sheet with an audit report for the last period subject to audit;

6) the composition of the bank's management board and supervisory board;

7) (repealed);

8) the names of persons authorised to incur liabilities on behalf of the bank or the bank's organisational unit;

9) (repealed).

2. In addition to the information referred to in par. 1, co-operative banks are also obliged to specify their area of activity and their affiliating bank.

3. A person with special needs referred to in the Act on the Provision of Accessibility to Persons with Special Needs of 19 July 2019 has the right to receive the information referred to in paragraphs 1 and 2 in such formats as an audio recording, a video recording of contents in Polish sign language, a printout in Braille or a printout made with a font size that is easy to read, within 7 days from reporting such need.

Article 111a.

1. In the report on the activities of the entity referred to in the Accounting Act of 29 September 1994, the Bank shall provide additionally:

1) information about its activities, shown separately for individual Member States and third countries where the bank has subsidiaries, on the consolidated basis within the meaning of Article 4.1 (48) of Regulation No 575/2013 for a given financial year;

2) information about the rate of return on assets calculated as the quotient of the net profit and the balance-sheet total;

3) information about the conclusion of the agreement referred to in Article 141t.1, the parties to the agreement, its subject matter, and the associated costs, provided that it operates within a holding company referred to in Article 141f.1, or about the absence of

such an agreement.

2. The information referred to in paragraph 1 (1) shall include:
 - 1) name, type, and geographical location of the activity;
 - 2) turnover in a given year, disclosed in the financial statements;
 - 3) employment in FTEs;
 - 4) profit or loss before taxation;
 - 5) income tax;
 - 6) financial assistance received from public funds, in particular pursuant to the Act of 12 February 2009 on State Assistance Provided to Financial Institutions by the State Treasury (Journal of Laws of 2016, item 1436).
3. The information referred to in paragraph 2 shall be subject to examination by a statutory auditor.
4. The bank is obliged to announce, in a generally available manner, a description of the management system, including the risk management system and the internal control system, as well as the remuneration policy, the information about the appointment of the remuneration committee, and the information that members of the supervisory board and the management board meet the requirements defined in Article 22aa.
5. If a bank runs a website, it is obliged to publish on the website the information referred to in paragraphs 1 and 4.
6. In justified cases, the Polish Financial Supervision Authority may order the bank to increase the frequency of announcing and to use specific communication media and locations, as referred to in Articles 431 to 455 of Regulation No. 575/2013, as well as may set time frames for the bank to announce the information.
7. The Polish Financial Supervision Authority may order the parent undertaking of a domestic bank to annually announce, in a generally available manner indicated by the PFSA, in the full extent or by way of references to equivalent information, a description of the legal and management structure and the organisational structure of the group, and in particular:
 - 1) information about the existence of close links between entities comprising the group;
 - 2) a description of the management system of the entities comprising the group, including the risk management system and the internal control system, and the remuneration policy.

Article 111b.

1. A bank is under the obligation to make available, in a form that is generally accessible, the information relating to the entrepreneurs or foreign entrepreneurs referred to in Article 6a.1 and 6a.7, if those entrepreneurs gain access to information that constitutes bank secrets while performing the activities referred to therein, delegated by the bank's organisational unit or by another entrepreneur or foreign entrepreneur.
2. The information referred to in par. 1 shall also be made available by the bank at the request of any person concerned, free of charge, in a place where the activities are performed, as referred to in Article 111.1.

Article 111c.

If a bank account agreement has been terminated or has expired for reasons referred to in Articles 59a.1 to 59a.3, the bank is obliged to notify the *gmina* where the last place of residence of the account holder is located about:

- 1) the date on which the bank obtained information about the death of the account holder,
- 2) the date of issuance by the account holder of the last instruction regarding that account, and if the agreement provided for the operation of more than one bank account - those accounts,
- 3) the amount of funds accumulated in that account, and if the agreement provided for the operation of more than one bank account - those accounts,
- 4) the amounts and descriptions of payments from that account, and if the agreement provided for the operation of more than one bank account - those accounts,
- 5) the possibility of the *gmina* acquiring the funds referred to in subparagraph (3), in accordance with Article 935 of the Civil Code Act of 23 April 1964

- indicating the source of and grounds for the findings.

Article 112.

Any disputes arising from the relations between the National Bank of Poland and other banks concerning:

- 1) the legal reserve,
- 2) the inter-bank clearings,
- 3) the trading in securities

- are examined by the *Voivodship Court* in Warsaw - Commercial Court.

Article 112a.

(repealed).

Article 112b.

Banks may process the information contained in identity documents of natural persons, for the purposes of their banking activities.

Article 112c.

1. Banks shall maintain an ICT system handling attachments of claims from bank accounts.
2. The ICT system referred to in paragraph 1 may be maintained by the clearing house referred to in Article 67 or the institution referred to in Article 105.4.

Article 112d.

1. A bank shall attach claims from a debtor's bank account through the ICT system referred to in Article 112c.
2. The minister responsible for financial institutions in consultation with the minister responsible for economy and the minister responsible for informatisation shall specify, by way of a regulation, detailed requirements concerning identification of banks in the ICT

system referred to in Article 112c, the manner of using electronic signatures for the purpose of authorising contents transmitted within that system, and requirements concerning service of correspondence through that system, having regard to the security of using documents in electronic form and to smooth attachment of claims from bank accounts.

Chapter 9

Affiliation, mergers, and demergers of banks

Article 113.
(repealed).

Article 114.
(repealed).

Article 115.
(repealed).

Article 116.
(repealed).

Article 117.
(repealed).

Article 118.
(repealed).

Article 119.
(repealed).

Article 120.
(repealed).

Article 121.

1. Banks may affiliate in banking chambers of commerce.
2. The provisions of the Act on chambers of commerce of 30 May 1989 (Journal of Laws of 2019, item 579), apply to banking chambers of commerce.

Article 122.

1. Banks may affiliate with other banks under an agreement.
2. The rights and duties of the affiliated banks are specified in an agreement.
3. Any affiliation of banks should be reported to the Polish Financial Supervision Authority, along with the affiliation agreement.

Article 123.

1. Presidents of management boards of the affiliated banks will form a board of the affiliated banks.
2. The scope and procedures of operation of the board of affiliated banks and the implementation of its resolutions are specified in an agreement.

Article 124.

1. A bank may merge with another bank or a credit institution after obtaining approval from the Polish Financial Supervision Authority.
2. The Polish Financial Supervision Authority will refuse to issue the approval referred to in par 1 if a merger would be against the law or against the interests of clients of a bank participating in that merger, or would not guarantee the safekeeping of funds deposited in that bank.
3. Where a domestic bank is an acquirer, the merger may be effected only by transferring all assets of the acquired bank or credit institution (acquiree) to the acquirer, in exchange for shares or participating interests issued by the acquirer to members or shareholders of the acquiree. Shares or participating interests are not issued in the case referred to in Article 514 of the Code of Commercial Companies and Partnerships.

Article 124a.

Approval of the Polish Financial Supervision Authority is required for the acquisition of a bank's enterprise or an organised part thereof by another bank.

Article 124b.

Co-operative banks are not subject to the division procedure referred to in Part I Title I Section XI of the Co-operative Law Act.

Article 124c.

1. Banks established in the form of a joint-stock company are subject to a demerger only in accordance with Article 529 § 1 (4) of the Code of Commercial Companies and Partnerships, subject to the provision that part of the assets of a demerging bank will be transferred to a domestic bank or a credit institution established in the form of a joint-stock company.
2. Approval of the Polish Financial Supervision Authority is required for a demerger of the bank referred to in par. 1. The Polish Financial Supervision Authority will refuse to approve a demerger of a bank if that demerger could be detrimental to the sound and prudent management of the bank undergoing a demerger or of the banks to which the assets of that bank are transferred, or if that demerger could result in serious losses for the national economy or the important interests of the state.

Article 124d.

1. In the case of a merger of banks, an acquisition of a bank, or a purchase of a bank company, the bank shall notify the entity referred to in Article 20 of the Act of 10 June 2016

on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring of such a merger, acquisition, or purchase at least one month before the planned merger, acquisition, or purchase. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may set a shorter time limit for notification in order to protect business secrecy or financial stability.

2. Where the funds referred to in Article 17.1 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring, accumulated in a bank formed as a result of an event referred to in paragraph 1 exceed the value specified in Article 24.1 of that Act, they may be paid within 3 months from the date of notification referred to in paragraph 1, in an amount not exceeding the value of the guaranteed funds, without any loss of accrued interest, and free of charge.

Article 125.

(repealed).

Chapter 10

Own Funds, Internal Capital, and Financial Management of Banks

Article 126.

Banks are obliged to have own funds within the meaning of Article 4.1 (118) of Regulation No. 575/2013 matching the size of the business conducted.

Article 127.

1. Capital instruments and subordinated loans are classified as additional instruments in Tier I, referred to in Article 52 of Regulation No. 575/2013, and instruments in Tier II, referred to in Article 63 of Regulation No. 575/2013, after obtaining authorisation of the Polish Financial Supervision Authority.

2. The Polish Financial Supervision Authority grants the authorisation referred to in paragraph 1 if the conditions referred to in the following provisions are met:

- 1) Article 52 of Regulation No. 575/2013 - in relation to additional instruments in Tier I;
- 2) Article 63 of Regulation No. 575/2013 - in relation to additional instruments in Tier II.

Article 128.

1. The bank is obliged to maintain the sum of own funds at a level not lower than the higher amount of the following amounts:

- 1) amount resulting from the fulfilment of the requirements in the scope of own funds, referred to in Article 92 of Regulation No. 575/2013;
- 2) amount estimated by the bank, necessary to cover all identified material risk types occurring in the bank's activity as well as changes in economic environment, taking into account the expected risk level (internal capital).

1a. The bank shall elaborate and implement strategies and procedures for internal capital

estimation and maintenance.

1b. The strategies and procedures referred to in paragraph 1a should be effective, comprehensive and adequate to the nature, scale, and complexity of the bank's business.

2. The bank shall carry out regular reviews of the strategies and procedures referred to in paragraph 1a.

2a. The bank shall counteract the risk of excessive leverage within the meaning of Article 4.1 (94) of Regulation No. 575/2013, taking account of possible growth of that risk resulting from lowering of own funds in connection with the expected or actual losses.

3. (repealed).

3a. The Polish Financial Supervision Authority, taking account of the nature, scale and complexity of the bank's business, shall monitor the bank's compliance with the requirements related to the use of credit ratings in the assessment of creditworthiness of an entity or financial instrument, referred to in Article 5a of Regulation of the European Parliament and the Council (EC) No. 1060/2009 of 16 September 2009 on credit rating agencies (OJ L 302, 17.11.2009, p. 1, as amended).

3b. A bank which has obtained the authorisation to apply the internal approach shall submit to the Polish Financial Supervision Authority and the European Banking Authority, at least once a year, results of requirements calculations in respect of own funds on the basis of the applied internal approach, along with the explanation of the latter.

3c. The Polish Financial Supervision Authority may, by way of consultation with the European Banking Authority, elaborate reference portfolios for which the bank will be obliged to calculate hypothetical requirements in the scope of own funds, applying the internal approach to which it has obtained authorisation. The provision of paragraph 3a shall be applied accordingly to the results of the calculation.

3d. The bank shall provide the information referred to in paragraphs 3b and 3c in accordance with the template prepared by the European Banking Authority and adopted by the European Commission by way of an implementing technical standard pursuant to Article 15 of Regulation of the European Parliament and the Council (EU) No. 1093/2010 of 24 November 2010 on establishing a European Supervisory Authority (European Banking Authority), amending Decision No. 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12, as amended), hereinafter referred to as "regulation No. 1093/2010". If the Polish Financial Supervision Authority elaborates the portfolios referred to in paragraph 3c, the bank shall submit at the same time the results of the calculations referred to in paragraphs 3b and 3c.

3e. On the basis of the information referred to in paragraphs 3b and 3c, the Polish Financial Supervision Authority shall monitor the amounts of requirements in the scope of own funds, calculated by banks with the use of internal approaches. At least once a year the Polish Financial Supervision Authority shall evaluate the quality of these approaches, taking account of the methods:

- 1) whose application results in significant differences in the requirements in the scope of own funds with regard to the same exposure;
- 2) in the case of which the discrepancy is exceptionally high or low, as well as methods in the case of which a significant and systematic underestimation of the requirements in the

scope of own funds is observed.

3f. If, from the evaluations referred to in paragraph 3e, significant differences arise between the results of the calculations of the requirements in the scope of own funds, submitted by the bank in accordance with paragraphs 3b and 3c, and the results of a group of banks characterised by a similar portfolio risk profile in the scope of credit risk or a group of banks characterised by a similar base portfolio risk level in the scope of the market risk, or when the internal approaches applied by the bank show few common features with the internal approaches applied by a group of banks characterised by a similar portfolio risk profile in the scope of credit risk or a group of banks characterised by a similar base portfolio risk level in the scope of the market risk, which results in a significant discrepancy of results, the Polish Financial Supervision Authority shall examine the reasons for such a situation and, if it is impossible to determine clearly that the approach used by the bank results in underestimated requirements in the scope of own funds, not stemming from the differences in the risk associated with exposures or transactions in the reference portfolio, the PFSA may apply the measure referred to in Article 138d.1 and recommend that the bank verify the applied internal approach and make changes thereto.

3g. The provisions of paragraphs 3b to 3f shall not be applied to the advanced measurement approach referred to in Article 312.2 of Regulation No. 575/2013.

4. (repealed).

5. (repealed).

6. The minister responsible for financial institutions shall define, by way of a regulation, the detailed manner of estimation of the internal capital and implementation of the reviews of the strategies and procedures referred to in paragraph 1a by the bank, taking account of the need to ensure reliable approach to risk taking in the scope of the activity conducted by the bank, the appropriateness of the strategies and procedures of internal capital estimation to the nature, scale, and complexity of the bank's business, including adaptations to new types of risk, significant changes in the strategy and action plans, and in the external environment in which the bank operates.

6a. The minister responsible for financial institutions, after consulting the Polish Financial Supervision Authority, may define, by way of a regulation:

1) the manner in which banks shall treat qualified holdings of entities from outside the financial sector, referred to in Article 89.3 of Regulation No. 575/2013,

1a) criteria which are more strict than those mentioned in Article 125.2 and Article 126.2 of Regulation No. 575/2013, established for the purposes of determination of the risk weight of exposures secured by mortgages in accordance with Article 124.2 of Regulation No. 575/2013,

2) a higher risk weight for exposures secured with mortgages on immovable property, referred to in Article 124.2 of Regulation No. 575/2013,

2a) a higher minimum value of the exposure weighted average loss given default indicated in Article 164 (4) of Regulation no. 575/2013,

2b) materiality of a credit obligation past due referred to in Article 178.2 (d) of Regulation No. 575/2013,

2c) a longer period intended for determination of the number of days past due on debtor's credit obligations in accordance with Article 178.1 (b) of Regulation No. 575/2013,

2d) a higher level of alpha determined for the purposes of application of the internal model with respect to calculation of the balance sheet equivalent of off-balance sheet transactions referred to in Article 284.4 of Regulation No. 575/2013,

3) approaches or requirements in the scope of own funds, referred to in Article 327.2 of Regulation No. 575/2013,

4) limits to exposures towards a client or a group of linked clients lower than EUR 150,000,000, as referred to in Article 395.1 of Regulation No. 575/2013,

5) a higher liquidity coverage requirement referred to in Article 412.5, second sentence of Regulation No. 575/2013

- in the scope pertaining to the activities of banks, taking account of the need of an appropriate level of own funds and liquidity to be maintained by the banks and the need to ensure stability, security, and correct functioning of the financial market.

7. If the conditions referred to in par. 1 are not satisfied, a bank is under the obligation to immediately notify the Polish Financial Supervision Authority thereof.

8. (repealed).

9. (repealed).

10. (repealed).

Article 128a.

Upon request of the Polish Financial Supervision Authority, the bank is obliged to provide information on the structure of own funds referred to in Article 126 and on the fulfilment of requirements and standards defined in Article 128 and provisions of Regulation No. 575/2013.

Article 128b.

1. Where the service costs and risk connected with the payment of guarantees and sureties are not recognised in the financial result of a state bank, it may commission another financial institution, by way of an agreement, to assess the ability to pay the liability and analyse risk connected with the payment of liability in the case of granting sureties or guarantees pursuant to the provisions laid down in the Act of 8 May 1997 on Sureties and Guarantees Granted by the State Treasury and Certain Legal Persons (*Dziennik Ustaw* 2020, items 122, 568 and 1086) or other acts laying down rules for the granting of sureties and guarantees by a state bank.

2. Where the service costs and risk connected with the payment of guarantees and sureties are recognised in the financial result of a state bank, the Polish Financial Supervision Authority may, at its request, issue a permission to commission the assessment of ability to pay the liability and analyse risk connected with the payment of liability to another bank in the event where:

1) a state bank grants a bank guarantees or sureties for a credit portfolio understood as a set of individual credits awarded by that bank, for which the total limit of guarantees or

sureties for a limited time is specified in the agreement between that bank and a state bank;

2) a surety or guarantee is granted for a portfolio of other liabilities understood as a set of individual civil law contracts, for which the total limit of sureties or guarantees is specified in the agreement between that bank and a state bank.

Article 128c.

A bank is under the obligation to report to the Polish Financial Supervision Authority, with 30 days' notice, the intended acquisition of shares or participating interests with the value exceeding 5% of the bank's own funds.

Article 128d.

(repealed).

Article 129.

1. Banks will manage their finances in an independent manner, on the basis of a financial plan, so as to ensure that their revenues cover their operating expenses and liabilities.
2. The bank's articles of association (statute) will determine the principles for establishing and using funds from appropriation of net profit, and the principles for the coverage of losses.
3. Approval of the Polish Financial Supervision Authority is required for the appropriation of an amount exceeding the earnings for the last financial year among the shareholders, less any retained losses, own shares, and the amounts that cannot be paid out as a dividend.

Article 130.

1. Banks may establish a reserve fund as a provision for general unidentified risks connected with banking operations and recognise that fund as an expense. Banks will establish and release that reserve fund on the basis of the assessment of that risk, considering, in particular, the amount of receivables and off-balance sheet commitments.
2. The annual charge to the reserve for general banking risks referred to in par. 1 will amount to:
 - 1) no more than 1.5% of the outstanding amount of credits and loans, less the amount of credits and loans classified as a loss under separate regulations, as at the end of the previous financial year;
 - 2) not more than the appropriation performed in the current financial year from the previous year's profit for the fund for general banking risk referred to in Article 26.1 (f) of Regulation No. 575/2013.
3. The charge referred to in par. 2 may be made no more often than once a month, in equal amounts. Until the charge to the reserve for general banking risks is made in the current financial year, the amounts of that charge may be determined on the basis of forecasts or proposals contained in the financial plan.
4. A bank will release the general banking risks reserve if it is no longer justified to maintain that reserve, in the bank's opinion.

Article 130a.

1. A resolution on a conditional increase in the share capital of a bank may be adopted in order to convert the bank's liabilities under financial instruments that provide for the conversion of liabilities to shares in the case of an event related to the financial situation, solvency, capital position, or the level of the bank's own funds (mandatorily convertible instruments) to share capital.
2. The conversion of liabilities under mandatorily convertible instruments to bank shares shall take place when the events indicated as the basis for conversion in the conditions for issuance occur.
3. Immediately after it has been determined that the events indicated as the basis for conversion in the conditions for issuance have occurred, the management board of the bank reports to the registry court the taking-up of shares as a result of the conversion of liabilities under mandatorily convertible instruments.

Chapter 11 Banking Supervision

Article 131.

1. The activities of banks, branch offices and representative offices of foreign banks, and branch offices and representative offices of credit institutions, are subject to banking supervision by the Polish Financial Supervision Authority to the extent and under the conditions provided for in this Act and in the Financial Market Supervision Act of 21 July 2006.
2. Supervision of the operations of a branch or representative office of a foreign bank in Poland, and of a branch or representative office of a domestic bank abroad, including the scope of control activities and the related procedures, may be performed within the scope agreed between the Polish Financial Supervision Authority and the competent supervisory authorities.
3. The Polish Financial Supervision Authority may, in accordance with the agreement referred to in par. 2, make available the information concerning the bank to a banking supervision authority of another state provided that:
 - 1) this is not against the economic interests of the Republic of Poland;
 - 2) it is ensured that such information will be used only for the purposes of banking supervision;
 - 3) it is guaranteed that such information may be further disclosed to entities other than the banking supervision authority only after obtaining approval from the Polish Financial Supervision Authority.
- 3a. Where the competent supervisory authority refuses to enter into the agreement referred to in par. 2 or has entered into the agreement but does not comply with its terms, including a case where the competent supervisory authority fails to provide the information requested by the Polish Financial Supervisory Authority within the prescribed time limit or refuses to

provide such information, the Polish Financial Supervision Authority may notify the European Banking Authority thereof.

4. (repealed).
5. (repealed).
6. (repealed).
7. (repealed).

Article 131a.

1. Banks are under the obligation to make payments for banking supervision purposes, equal to the product of the carrying amount of the bank's total assets multiplied by a rate not exceeding 0.024%.

1a. Payments contributed by a bank participating in the protection system referred to in Article 22b.1 of the Act on Functioning of Cooperative Banks, their Affiliation, and Affiliating Banks shall be equal to 80% of the amounts which the participating bank would have been obliged to settle had it not participated in the system.

1b. From the payments referred to in paragraph 1, also 16.5% of the costs referred to in Article 17.1 of the Act of 29 July 2005 on Capital Market Supervision shall be covered.

2. Claims under payments for the financing of banking supervision costs referred to in par. 1 are enforceable in accordance with the regulations on the enforcement proceedings in administration.

3. The Prime Minister shall define, by way of a regulation, the dates, amounts, and the method of calculation of the payments referred to in paragraph 1, as well as the manner in which the banking supervision costs and the share in the costs referred to in paragraph 1b are covered from the payments referred to in paragraph 1, with a view to ensuring the effectiveness of the supervision.

4. (repealed).

Article 132.

The minister responsible for financial institutions may request *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] to take the supervision actions and measures referred to in Article 133 and Article 138.

Article 133.

1. The purpose of supervision is to ensure:

- 1) the security of funds deposited in bank accounts;
- 2) compliance of banks' operations with the provisions of the Act, Regulation No. 575/2013, the Act of 29 August 1997 on the National Bank of Poland, articles of association, and the decision on issuing the authorisation to establish the bank;
- 3) compliance of operations conducted by banks in accordance with Article 70.2 of the Act of 29 July 2005 on Trading in Financial Instruments with the provisions of this Act, the present Act, Regulation 596/2014, delegated acts issued on the basis of this regulation, and the articles of association;

1a. In exercising its duties, the Polish Financial Supervision Authority shall take account of the guidelines and recommendations provided by the European Banking Authority. If the Polish Financial Supervision Authority does not take account of the guidelines and recommendations of the European Banking Authority, it shall provide the reasons for not doing so.

2. In particular, banking supervision activities include:

- 1) assessment of the financial situation of banks, including their solvency, quality of assets, payment liquidity, and financial result;
- 2) review of the quality of the bank management system, including, in particular, the risk management and internal control system;
- 3) assessment of the compliance of credits, loans of money, letters of credit, bank guarantees and sureties granted, and of bank securities issued, with the applicable regulations;
- 4) review of the security of credits and loans and their repayment at the agreed dates;
- 5) examination of compliance with the limits referred to in Article 79a and the limits referred to in Article 395 of Regulation No. 575/2013, and the assessment of the process of exposure identification, monitoring, and concentration control, including for large exposures;
- 6) assessment of the bank's compliance with the standards established by the Polish Financial Supervision Committee for the acceptable risks levels in the activities of banks, and management of the risks inherent in the bank's operations, including adjustment of the bank's risk identification and monitoring processes, and the reporting of acceptable risks, to the nature and scale of the bank's activities;
- 7) assessment of the estimation, maintenance, and review of the bank's internal capital;
- 8) assessment of compliance by banks with the obligations referred to in Articles 56a, 59a, 59b, Articles 92ba to 92bd, and Article 111c.

2a. The activities referred to in paragraph 2 may be carried out also in the manner defined in Article 138c.2 (3).

3. Control activities are performed by employees of the Office of the Polish Financial Supervision Authority on presentation of an official identification document and a licence issued by the Chairperson of the Polish Financial Supervision Authority.

3a. The provisions of Chapter 5 of the Entrepreneur Law Act of 6 March 2018 shall apply to the control of economic activities of entrepreneurs, subject to Article 26 of the Capital Market Supervision Act of 29 July 2005.

4. The Polish Financial Supervision Authority and the persons involved in banking supervision activities shall not be held liable for any damage resulting from any act or failure to act which is in accordance with the law and is related to the supervision exercised by the Polish Financial Supervision Authority over the activities of banks, branch offices and representative offices of foreign banks, and branch offices of credit institutions.

Article 133a.

1. At least once a year, the Polish Financial Supervision Authority shall carry out the supervisory review and assessment of the bank, or a review and verification of results of the previous supervisory review and assessment.
2. A supervisory review and assessment shall include identification of the size and nature of risk to which the bank is exposed, the assessment of quality of the risk management process, the assessment of the level of capital covering the risk stemming from the bank's business and the assessment of bank management, including compliance of the bank's business with provisions of the Act, Regulation No. 575/2013, the Act on the National Bank of Poland, with the articles of association and decisions on issuing the authorisations to establish the bank and commence activities , as well as the assessment of activities undertaken by the bank as a result of application of the measures referred to in Articles 138, 138c, and 141.
3. In the supervisory review and assessment, the Polish Financial Supervision Authority takes into account the systemic risk which may be created by the bank and the results of identification, assessment, and monitoring of the systemic risk arising in the financial system or its surroundings, as well as the activities aimed at elimination or reduction of that risk with the use of macro-prudential instruments, implemented by the Financial Stability Committee in accordance with the Act on Macro-Prudential Supervision.
4. In the supervisory review and assessment, the Polish Financial Supervision Authority shall take into account the results of stress tests, including the tests referred to in Article 133b, and stress tests carried out in accordance with Article 177 of Regulation No. 575/2013 by the bank applying the internal rating based approach or the internal models approach, referred to, respectively, in Article 143.1 and Article 363 of Regulation No. 575/2013.
5. The Polish Financial Supervision Authority shall inform the bank on the result of the supervisory review and assessment and, if a need arises, shall undertake necessary measures pursuant to Articles 138, 138c, 138d, and 141.
6. If the supervisory review and assessment shows that the bank may pose a systemic risk pursuant to Article 23 of Regulation No. 1093/2010, the Polish Financial Supervision Authority shall advise thereof the European Banking Authority and the Financial Stability Committee.
7. The Polish Financial Supervision Authority shall provide to the European Banking Authority information on the functioning of supervisory review and assessment procedures.
8. If banks with a similar risk profile, and in particular with a similar business specificity or similar geographic location of exposures are or may be exposed to a similar risk or pose a similar risk for the financial system, the Polish Financial Supervision Authority may, in relation to such banks, carry out the supervisory review and assessment in alike or the same manner. The Polish Financial Supervision Authority shall advise the European Banking Authority of such cases.
9. The Polish Financial Supervision Authority accepts reports on infringements or potential infringements of the provisions of the Act and Regulation No. 575/2013.
10. The information obtained in the manner referred to in paragraph 9, including information which could enable identification of the reporting person or the person accused of the infringement, as well as the information that the report has been made, may be disclosed only:

- 1) in a notification of suspected criminal offence and documents supplementing such a notification;
- 2) upon request of the court or public prosecutor in relation to pending criminal proceedings or proceedings in fiscal offence cases.

Article 133b.

At least once a year, the Polish Financial Supervision Authority carries out stress tests in the banks subject to supervision.

Article 133c.

1. Once every year, the Polish Financial Supervision Authority elaborates a supervisory assessment programme. In justified cases, the Polish Financial Supervision Authority may update such a programme.
2. The supervisory assessment programme referred to in paragraph 1 covers the banks:
 - 1) for which the results of the supervisory review and assessment referred to in Article 133a, including of the stress tests, indicate that there is a significant risk of deterioration of their financial condition or that the provisions governing the operations of those banks have been infringed;
 - 2) which pose a systemic risk;
 - 3) other banks - in justified cases.

Article 133d.

At least once every three years, the Polish Financial Supervision Authority, during the supervisory review and assessment of the bank, reviews the bank's compliance with the requirements related to the internal approaches.

Article 133e.

The minister responsible for financial institutions, after consulting the Polish Financial Supervision Authority, shall define, by way of a regulation, the criteria and manner of conducting the supervisory review and assessment referred to in Article 133a, taking account of the need to ensure the implementation of the objectives of the supervisory assessment programme and the supervisory review and assessment, as well as their efficient conduct.

Article 134.

1. Audits of financial statements of banks and of branch offices of foreign banks may be entrusted only to statutory auditors who meet the requirements specified in the Act of 11 May 2017 on Statutory Auditors, Audit Firms, and Public Supervision.
2. Banks shall be obliged to submit their audited separate and consolidated financial statements, along with an audit report, to the Polish Financial Supervision Authority, within 15 days from their approval, together with a copy of a resolution or decision of the competent approving body confirming the approval of the given financial statements.

Article 135.

1. If any irregularities are found in an audit commissioned by a bank, the Polish Financial Supervision Authority may impose an obligation on that bank to hire a designated statutory auditor to examine the accuracy and reliability of all its financial statements, to control its books of account, to analyse its credit portfolio and to perform other activities referred to in Article 133.2. If irregularities are confirmed, costs of such audits will be borne by the bank.
2. The audit referred to in par. 1 may also be commissioned directly by the Polish Financial Supervision Authority. If this is the case, the costs of such audits will be borne by the Polish Financial Supervision Authority, subject to the provision of par. 3.
3. If any irregularities are found as a result of an audit commissioned by the Polish Financial Supervision Authority, costs of the audit will be borne by the bank.
4. Having regard to the need to take special precautions, the provisions of the Public Procurement Law Act of 11 September 2019 (Journal of Laws item 2019) do not apply to the selection of the statutory auditor appointed to examine the bank's financial statements in accordance with par. 2.

Article 136.

1. The statutory auditor who audits financial statements of the bank and carries out the audit review referred to in Articles 134 and 135 is obliged to immediately inform the Polish Financial Supervision Authority and the supervisory board and the management board of the bank of any facts disclosed which indicate that:

- 1) a crime or offence;
- 2) a breach of the regulations governing the bank's activities;
- 3) a breach of the good banking practice or any other threat to the interests of the bank's clients;
- 4) there are grounds for a qualified opinion to be expressed with regard to the financial statements of the bank, an adverse opinion, or a refusal to express any opinion.

1a. The statutory auditor may refrain from notifying the supervisory board and the management board as referred to in paragraph 1 if there are important reasons to do so.

2. The regulations applying to the banking supervision employees performing the activities referred to in Article 135.2 apply accordingly to statutory auditors who perform those activities.

3. The provision of par. 1 applies accordingly to statutory auditors who examine the financial statements of any entities having close links with the bank.

Article 137.

1. The Polish Financial Supervision Authority:

- 1) (repealed);
- 1a) (repealed);
- 2) (repealed);
- 3) (repealed);

4) (repealed);

5) may give recommendations relating to the good practices for the sound and prudent management of banks.

2. In the case when the recommendations referred to in paragraph 1 (5) concern matters which can be related to macro-prudential supervision referred to in the Act on Macro-Prudential Supervision, the Polish Financial Supervision Authority shall issue such recommendations after consultation with the Financial Stability Committee.

Article 137a.

For the purposes of verification of the banks' compliance with the standards and limits established in this Act, the amounts expressed in foreign currencies, within the meaning of the Foreign Exchange Law Act, are converted to PLN, and the foreign-currency indexed amounts are determined - at the average exchange rate announced by the National Bank of Poland on the date when the verification is performed.

Article 138.

1. As part of its supervisory activities, the Polish Financial Supervision Authority may, in particular, recommend that a bank:

- 1) take the necessary measures to restore payment liquidity or to achieve and observe other standards of acceptable risk in the bank's business;
 - 1a) observe additional liquidity requirements, taking into account the business model of the bank, the principles, procedures, and controls applied by the bank in liquidity risk management, the result of the supervisory review and assessment or the review and verification referred to in Article 133a, and the systemic liquidity risk posed by the bank;
- 2) increases its own funds;
 - 2a) observe an additional requirement related to own funds in excess of the amount resulting from the requirements calculated in accordance with the detailed principles defined in Regulation No. 575/2013, and in particular in the case of:
 - a) negative findings resulting from the activities undertaken as part of the banking supervision, including findings pertaining to the risk management system and the internal control system, or the identification, monitoring, and control of exposure concentration, including large exposures,
 - b) finding that the internal capital does not match the scale of risk occurring in the bank's business or discovering substantial irregularities in risk management,
 - c) finding that the bank poses a systemic risk;
- 3) refrains from certain forms of advertisement;
- 4) develops and applies the appropriate procedures to maintain, estimate on an on-going basis, and review its internal capital and the effectiveness of its management system;
- 5) implementation of special rules for creating provisions for banking risk or charges related to depreciation of assets, or special treatment of assets while calculating own funds requirements;
- 6) reduces the risks inherent in the bank's activities;

- 7) limitation of the variable part of remuneration for persons covered with the remuneration policy, as a percentage of net income, in the case when its amount makes it difficult to comply with the requirements on own funds;
- 8) fulfilment of additional reporting obligations and increasing their frequency, including own funds and liquidity reporting;
- 9) disclosure of additional information;
- 10) complies with Articles 92ba to 92bd and Article 111c.

2. The Polish Financial Supervision Authority may order a bank to cease payments from profit or refrain from opening new organisational units until the payment liquidity is restored or the bank achieves other standards of acceptable banking risk.

3. Where it is found that a bank is failing to comply with the recommendations determined in paragraph 1 or with the orders referred to in paragraph 2, or where the bank's activity is in contravention of this Act, provisions of other acts governing the bank's activities, or principles of its organisation and regulations issued on their basis, as well as provisions of Regulation No. 575/2013 and other directly applicable provisions of law of the European Union governing the bank's activities or principles of its organisation, or it is found that the bank is in breach with the articles of association, or where it jeopardises the interests of bank account holders or participants of trading in financial instruments, the Polish Financial Supervision Authority may, after prior written warning notice:

- 1) put to the bank's competent body a motion to dismiss the president, vice president, or any other member of the bank's management board who is directly responsible for the identified irregularities; the provision of Article 22d shall apply accordingly;
- 2) suspend members of the bank's management board referred to in subparagraph (1) from office, until a resolution is adopted whether or not they should be recalled from office by the supervisory board at the nearest meeting; a member who is suspended from office cannot take any decisions for and on behalf of the bank regarding its property rights and obligations;
- 3) limit the scope of activities of the bank or its organisational units;
- 3a) impose a financial penalty amounting up to 10% of the revenues stated in the last audited financial statements, and if there are no such statements, a financial penalty amounting up to 10% of the forecast revenues determined on the basis of the economic and financial condition of the bank; the provisions of Articles 141.4 and 141.5 shall be applied accordingly;
- 4) withdraw the licence to establish the bank and take a decision on the winding-up of that bank; the provisions of Article 147.3 and Articles 153-156 apply accordingly.

3a. A decision of the Polish Financial Supervision Authority to impose limitations on the scope of activities of a bank may specify the conditions and time limits.

3b. If it is possible to determine the amount of benefit achieved by the bank or the loss avoided by the bank as a result of the breach, the financial penalty referred to in paragraph 3 (3a) may be equal to twice the amount of the benefit or loss.

3c. When setting the amount of the financial penalty referred to in paragraphs 3 (3a) and 3b, the Polish Financial Supervision Authority shall take into account, in particular, the severity

of breach, its duration, reasons, financial condition of the bank on which the penalty is imposed, and previous infringements of the provisions referred to in paragraph 3 by the bank.

4. The Polish Financial Supervision Authority may also suspend a management board member from office if:

- 1) charges are brought against that member in criminal proceedings or proceedings relating to a fiscal offence;
- 2) that member is responsible for substantial losses suffered by the bank.

The provisions of par. 3 (2) apply accordingly.

4a. The management board members are obliged to inform the Polish Financial Supervision Authority that charges were brought against them in criminal proceedings - except for charges of a criminal offence prosecuted under private indictment - or in proceedings related to a fiscal offence, within 30 days as of bringing the charges.

5. The Polish Financial Supervision Authority shall dismiss a member of the bank's management board if that person has been sentenced with a final verdict for an intentionally committed criminal offence or for a fiscal offence, except for criminal offences prosecuted under private indictment, as well as when that person failed to fulfil the obligation referred to in paragraph 4a.

6. The scope of the bank's activities may be limited or the licence to establish the bank may be withdrawn also where it is found that the bank:

- 1) no longer fulfils the conditions under which the licence was granted;
- 2) has obtained the licence through false documents or statements, or by any other means that were against the law;
- 3) has ceased to engage in banking activities for more than six months;
- 4) has become a subsidiary of persons that cannot be effectively supervised by the Polish Financial Supervision Authority due to the provisions of law in force in the place of their residence or registered office, or due to the links between such persons and other entities;
- 5) does not fulfil the conditions referred to in Chapter 11b.

6a. The Polish Financial Supervision Authority will withdraw the licence to establish a branch office of a foreign bank if the competent supervisory authorities of the country where that foreign bank has its registered office or place of effective management have withdrawn that bank's licence to pursue banking activities.

6b. Before the licence to establish a branch office of a foreign bank is withdrawn, the Polish Financial Supervision Authority will consult the competent supervisory authorities of the country where that foreign bank has its registered office or place of effective management, if the agreement referred to in Article 131.2 provides for such consultations. Where the licence must be withdrawn immediately, the Polish Financial Supervision Authority may be exempt from the obligation to consult such authorities.

6c. The Polish Financial Supervision Authority will notify the competent supervisory authorities of a foreign bank that the licence referred to in par. 6a has been withdrawn.

6d. The Polish Financial Supervision Authority will immediately notify the competent supervisory authorities of the country where a branch office of a domestic bank operates that a licence to establish that domestic bank has been withdrawn.

7. Supervisory measures cannot contravene the provisions of any agreements concluded by a bank, except for the agreements:

- 1) referred to in Article 92a.1 and 92a.3 and in Article 92d;
- 2) concluded by a domestic bank with members of the same holding and with any closely linked entities, and the agreements referred to in Article 6a.1 and 6a.7.

7a. If it is ascertained that the bank, infringing on Articles 88a to 88m and provisions issued on the basis of Article 88n, performs the activities referred to in Article 5.1 (1) the object of which are structured deposits, or that the bank, infringing on Articles 88a to 88m and provisions issued on the basis of Article 88n, performs the activities referred to in Article 5.2 (11) or (12), the Polish Financial Supervision Authority, instead of applying the measures referred to in paragraph 3, may:

- 1) order the bank to cease and desist any actions resulting in the creation of infringements and not to take these actions in the future, or impose a financial penalty on the bank up to PLN 20,750,000 or to the amount equal to 10% of the total annual income shown in the last examined financial statement, if it exceeds PLN 20,750,000, or - if it is possible to determine the amount of benefit achieved as a result of the infringement - impose a financial penalty on the bank up to the amount of double the amount of the achieved benefit;
- 2) order persons responsible for the infringement to cease the activities resulting in infringements or impose on those persons a financial penalty of up to PLN 20,750,000;
- 3) suspend a member of the management board of the bank who is responsible for the infringement identified in their duties for a period not longer than 12 months;
- 4) submit a motion to a competent body of the bank to dismiss the member of the bank's management board - in the case of gross and persistent infringements of the provisions referred to in paragraph 1, whereas the provision of Article 22d shall be applied accordingly;
- 5) limit the scope of operations of the bank or its organisational units;
- 6) repeal the permission to establish the bank and decide on liquidating the bank, whereas the provisions of Article 147.3 and Articles 153 to 156 shall be applied accordingly.

7b. If the bank infringes on Article 88m.4 to Article 88m.14 and provisions issued on the basis of Article 88n (1) (e), the Polish Financial Supervision Authority may also prohibit the bank from performing the activities referred to in Article 5.1 (1) the subject of which are structured deposits or prohibit the bank from performing the activities referred to in Article 5.2 (11) and (12).

7c. The Polish Financial Supervision Authority shall make the decisions referred to in paragraphs 7a and 7b available to the public. The provision of Article 176h of the Act of 29 July 2005 on Trading in Financial Instruments shall be applied accordingly.

7d. If the bank is the parent undertaking which prepares consolidated financial statements or a subsidiary of the parent undertaking that prepares consolidated financial statements, the total annual income referred to in paragraph 7a (1) shall be the amount of the total consolidated annual income of the parent undertaking disclosed in the last examined consolidated financial statement.

7e. The equivalent in PLN of the amount in a foreign currency shall be calculated in accordance with the average exchange rate of that currency announced by the National Bank of Poland on the balance sheet day on which the last examined financial statement referred to in paragraph 7a (1) or paragraph 7d was prepared.

8. While making the decisions referred to in paragraphs 3, 3a, and 7a, the Polish Financial Supervision Authority shall take the following into consideration:

- 1) the gravity and period of the breach;
- 2) the level of involvement and the responsibility of particular entities or persons;
- 3) the proportion of the amount of the financial penalty to the scale of the business activities of the entities, measured by the volume of revenues, profits, or assets;
- 4) the benefits obtained by the entity or person as a result of the breach;
- 5) the damage suffered by third parties as a result of the breach;
- 6) previous breaches, their scopes, and their frequency;
- 7) the effects of the breach on financial stability and the financial market;
- 8) the cooperation of the entity or person with *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority].

Article 138a.

(repealed).

Article 138b.

1. When taking a decision on the application of the measure specified in Article 138a.1 (1a) or (2a) during the exercise of supervision on a consolidated basis, the Polish Financial Supervision Authority shall cooperate with the competent supervisory authorities exercising supervision over the entities operating in the same holding company in which the bank operates and shall strive to achieve a common position on the solution and assessment of the reasons for such a position.

2. The Polish Financial Supervision Authority will issue the decision referred to in par. 1 within 4 months from the date of receipt, by the competent supervisory authorities responsible for the supervision of entities operating in the same holding as the bank, of a proposal of the common position, including a risk assessment for the holding.

3. Where no common position has been reached, the Polish Financial Supervision Authority may consult the European Banking Authority. The Polish Financial Supervision Authority will also consult the European Banking Authority at the request of the competent supervisory authorities referred to in par. 2.

4. If an agreement between the Polish Financial Supervision Authority and the competent supervisory authorities is not reached within the time limit referred to in par. 2, the Polish Financial Supervision Authority will issue the decision referred to in par. 1, having regard to the opinions of those competent supervisory authorities, and will justify any significant departures from the opinions of those competent supervisory authorities, received within the time limit referred to in par. 2.

5. In the case of consultations referred to in paragraph 3, the Polish Financial Supervision

Authority, when issuing the decision referred to in paragraph 1, shall take into account such an opinion and provide reasons for material derogations from this opinion. In the decision, the Polish Financial Supervision Authority may specify the conditions and dates for the application of the measure specified in Article 138a.1 (1a) or (2a).

5a. If, prior to the expiry of the time limit referred to in par. 2, the competent supervisory authority refers the case to the European Banking Authority in accordance with Article 19 of Regulation 1093/2010, the Polish Financial Supervision Authority shall suspend the proceedings until the European Banking Authority has taken the decision referred to in Article 19(3) thereof.

6. Where the competent supervisory authority exercising supervision on a consolidated basis over a domestic bank operating in one of the holding companies referred to in Article 141f.1 (2) to (5) seeks an opinion of the Polish Financial Supervision Authority concerning the application of the measure specified in Article 138a.1 (1a) or (2a), the provisions of paragraphs 1 to 4 shall be applied accordingly.

7. Once a year, the Polish Financial Supervision Authority will analyse the premises on which the decision referred to in par. 1 was based, as well as its effects. When no common position has been reached, the premises and effects of the decision may also be analysed at the request of a competent supervisory authority.

Article 138c.

1. In the case of adverse findings resulting from the activities referred to in Article 133a.1, the Polish Financial Supervision Authority may cover banks with enhanced supervision.

2. The supervision referred to in paragraph 1 includes:

- 1) increased frequency or scope of the activities undertaken as part of the banking supervision, referred to in Article 133.2, including additional reviews of operating, strategic, or business plans of the bank;
- 2) imposing additional disclosure obligations on the bank in relation to compliance with the Act or Regulation No. 575/2013;
- 3) delegating employees of the Office of the Polish Financial Supervision Authority to carry out, on an ongoing basis, the activities referred to in Article 133.2 at the bank.

3. The activities referred to in paragraph 2 (3) are carried out on the basis of an authorisation of the President of the Polish Financial Supervision Authority, defining in particular their scope, implementation procedure, and the period of delegation.

4. The employees of the Office of the Polish Financial Supervision Authority, referred to in paragraph 2 (3), are entitled to take part in sessions of the bank's bodies and have the right to obtain information necessary to carry out their tasks.

Article 138d.

1. If, as part of the review referred to in Article 133d, significant irregularities are found in the bank's identification of risk with the use of the internal approach, the Polish Financial Supervision Authority, by way of a decision, shall order the bank to assume higher multiplication factors than those used in the said internal approach, shall impose an additional requirement in the scope of own funds, or shall undertake other activities aimed at restoration

of compliance of the approach used with the provisions of Regulation No. 575/2013.

2. If, in relation to the internal approach concerning the market risk, numerous overshootings referred to in Article 366 of Regulation No. 575/2013 indicate that the approach is not sufficiently precise, the Polish Financial Supervision Authority shall cancel the authorisation to use the internal approach or order the bank to change it immediately.

3. If the bank has ceased to comply with the requirements related to the internal approach used under the authorisation obtained, it shall notify thereof the Polish Financial Supervision Authority. If the infringement of provisions of Regulation No. 575/2013 is significant, the bank shall present to the Polish Financial Supervision Authority a plan of restoration, within a relevant time frame, of compliance with regard to these requirements, indicating the deadline for the implementation of the plan. If, in the opinion of the Polish Financial Supervision Authority, implementation of the plan presented by the bank will not restore full compliance with requirements of Regulation No. 575/2013 or if the deadline for implementation of the plan is inadequate, the PFSA may set a time frame for the bank to supplement the existing plan or elaborate a new one.

4. If, within the time frame set in the plan referred to in paragraph 3, the bank fails to restore compliance with the requirements of Regulation No. 575/2013, and lack of compliance with these requirements constitutes their substantial infringement, the Polish Financial Supervision Authority shall cancel the authorisation to use a given internal approach or limit the scope of the authorisation to the areas in which the requirements are fulfilled or in which compliance may be achieved with the relevant time frame.

5. The Polish Financial Supervision Authority shall cooperate with the competent supervisory authority which has granted the authorisation to apply the internal approach to the bank in the scope of the activities referred to in paragraphs 1 to 4, undertaken by that authority.

Article 139.

1. Banks and branch offices and representative offices of foreign banks operating in Poland are under the obligation to:

- 1) notify the Polish Financial Supervision Authority of the taking-up and discontinuation of their activities; it also applies to the activities taken up or discontinued by a branch office of a domestic bank operating in Poland;
- 2) enable the authorised persons to perform the activities referred to in Article 133.2, including, in particular, to provide access to the books of account, balance sheets, registers, plans, reports, and other documents, and, upon prior written request, allow them to make copies of such documents and other media containing information, and provide explanations at the request of such persons;
- 3) immediately notify the Polish Financial Supervision Authority of the measures to be taken in order to eliminate the irregularities identified during supervisory activities, and follow the respective decisions and recommendations.

2. The provisions of Article 138 apply accordingly to the supervision of the activities of branch offices of foreign banks.

Article 140.

A domestic bank whose branch office or representative office was opened abroad is under the obligation to notify the Polish Financial Supervision Authority of the taking-up and discontinuation of any activities by that branch or representative office.

Article 140a.

1. Before granting a licence to establish a domestic bank, the Polish Financial Supervision Authority will consult the competent supervisory authorities of a Member State in cases when that bank is:

- 1) a subsidiary of:
 - a) a credit institution,
 - b) a parent undertaking of a credit institution,
 - c) an insurance and reinsurance undertaking or an investment firm holding the necessary licences to pursue their activities in a Member State,
 - d) a parent undertaking of an insurance and reinsurance undertaking or an investment firm holding the necessary licences to pursue their activities in a Member State;
- 2) controlled by the same natural or legal persons that control a credit institution, an insurance and reinsurance undertaking, or an investment firm holding the necessary licences to pursue their activities in a Member State.

2. The Polish Financial Supervision Authority will consult the competent supervisory authorities when conducting an assessment of the persons engaged in the management of another entity in the same group, within the meaning of Article 3 (7) of the Supplementary Supervision Act. The Polish Financial Supervision Authority and other competent Polish supervisory authorities will make available, to one another and to other competent supervisory authorities, any information as may be necessary to grant the licence and to perform supervisory activities on an on-going basis.

Article 140b.

(repealed).

Article 140c.

1. The Polish Financial Supervision Authority shall notify the European Banking Authority of each case where the authorisation to establish a domestic bank or a branch of a foreign bank loses its binding force or is cancelled.
2. In the notification referred to in par. 1, the Polish Financial Supervision Authority will present the grounds on which a licence to establish a domestic bank or a branch office of a foreign bank has become invalid or has been withdrawn.

Article 140d.

1. Where a bank does not provide the basic payment account service referred to in Article 59ia.1 of the Act of 19 August 2011 on Payment Services, following the ineffective

expiration of the time limit set by Komisja Nadzoru Finansowego [the Polish Financial Supervision Authority] for the fulfilment of this obligation, Komisja Nadzoru Finansowego [the Polish Financial Supervision Authority] may impose on that bank a financial penalty in an amount of up to PLN 1,000,000.

2. Where a bank does not enable transferring payment accounts, as referred to in Article 59ii of the Act of 19 August 2011 on Payment Services, following the ineffective expiration of the time limit set by Komisja Nadzoru Finansowego [the Polish Financial Supervision Authority] for the fulfilment of this obligation, Komisja Nadzoru Finansowego [the Polish Financial Supervision Authority] may impose on that bank a financial penalty in an amount of up to PLN 1,000,000.

3. Determining the amounts of the financial penalties referred to in paragraphs 1 and 2, Komisja Nadzoru Finansowego [the Polish Financial Supervision Authority] shall take into account the gravity and duration of the infringement of the obligation laid down in Article 59ia.1 or Article 59ii of the Act of 19 August 2011 on Payment Services and the reasons for that infringement, the scale of the business activity conducted by the bank, and its financial situation.

4. (repealed).

5. (repealed).

Article 141.

1. In the event of a bank failing to comply with recommendations as to its business activity conducted in contravention of the regulations referred to in Article 138.3, the articles of association, or when the bank refuses to furnish the explanations and information referred to in Article 139, or in the event of a bank failing to fulfil the obligations specified in Chapter 11b, the Polish Financial Supervision Authority may impose financial penalties on members of the management board up to the amount of PLN 20,000,000.

1a. When setting the amount of the financial penalty referred to in paragraph 1, the Polish Financial Supervision Authority shall take into account, in relevant cases, in particular:

- 1) severity of the infringement and its duration;
- 2) contribution of the bank's management board member responsible for a given infringement to the occurrence of the infringement;
- 3) financial condition of the bank's management board member responsible for a given infringement;
- 4) scale of benefits obtained or losses avoided by the bank's management board member responsible for a given infringement, if the benefits or losses can be determined;
- 5) losses incurred by third persons in relation to the infringement, if they can be determined;
- 6) readiness of the bank's management board member responsible for a given infringement to cooperate with the Polish Financial Supervision Authority;
- 7) previous infringements of law regulations governing the functioning of the financial market, perpetrated by the bank's management board member responsible for a given infringement;

- 8) possible systemic consequences of the infringement.
2. The penalty cannot be imposed if more than 6 months have passed from the date when the banking supervision authority was informed about the act referred to in par. 1, or if more than 2 years have passed from the date when that act was committed.
3. Imposition of a financial penalty shall be without prejudice to any other measures provided for in this Chapter.
4. The Polish Financial Supervision Authority will transfer the amounts enforced under financial penalties to the Bank Guarantee Fund.
5. The penalty referred to in par. 1 is enforced pursuant to the regulations on the enforcement proceedings in administration.

Chapter 11a

Supervision of Branch Offices of Credit Institutions

Article 141a.

1. Where a credit institution pursuing its business in the Republic of Poland via a branch or engaging in cross-border activity infringes provisions of the Act or Regulation No. 575/2013, or when it is reasonably probable that these are infringed, the Polish Financial Supervision Authority shall notify the competent supervisory authorities of the home Member State.
2. If it is found that the competent supervisory authorities of the home Member State, in a situation defined to paragraph 1, did not undertake relevant measures, the Polish Financial Supervision Authority may refer the case to the European Banking Authority and request it for help in accordance with Article 19 of Regulation No. 1093/2010.
 - 2a. If a credit institution operating in the Republic of Poland through a branch office is in breach of the provisions of Sections II or III of the Payment Services Act of 19 August 2011, the Polish Financial Supervision Authority shall:
 - 1) call on that institution in writing to ensure compliance with those provisions and set a time limit for the removal of the identified irregularities;
 - 2) after the time limit referred to in subparagraph (1) has expired with no effect - apply the measures referred to in 138.3 (1), (3), and (3a), as appropriate, reporting the identified irregularities and the applied measures to the competent supervisory authorities of the home Member State of that institution.
3. In justified cases, the Polish Financial Supervision Authority, with a view to the protection of stability of the financial system, interests of depositors, investors, and other entities to which services are provided, may - before applying the measures referred to in paragraphs 1 and 2 and with no need for a prior written warning notice - apply measures referred to in Article 138 until relevant activities are undertaken, including reorganisation activities equivalent to the activities defined in Chapter 12, by competent supervisory authorities of the home Member State. The Polish Financial Supervision Authority shall immediately notify the European Commission, the European Banking Authority, and the competent authorities of other interested Member States of the application of such measures.
 - 3a. In the cases referred to in par. 2 and 3, the Polish Financial Supervision Authority will

notify the competent supervisory authorities of the home Member State of the supervisory measures taken in respect of a branch office of a credit institution.

4. The provisions of Article 127 § 3 of the Code of Administrative Procedure do not apply to decisions of the Polish Financial Supervision Authority issued in accordance with the provisions of par. 2, 2a, and 3.

5. A credit institution may appeal against the decisions of the Polish Financial Supervision Authority referred to in par. 2, 2a, and 3 to an administrative court within 7 days from the date of the decision having been served.

6. If a branch of a credit institution does not fulfil the obligations resulting from Article 48l.2 and Article 48m, the Polish Financial Supervision Authority may apply measures in accordance with Article 138.3 (1) to (3a) and 138.3b.

7. In the interest of the general good referred to in Article 48l.2, the Polish Financial Supervision Authority may accordingly apply measures in relation to a branch of a credit institution in accordance with Articles 138 and 141.

8. In order to ensure equal conditions of operation of domestic banks and branches of credit institutions, in the interest of the general good referred to in Article 48l.2, the Polish Financial Supervision Authority may, when issuing recommendations referred to in Article 137, define the scope in which the recommendations also apply to branches of credit institutions.

9. In the case referred to in paragraph 3, the application of measures in accordance with Article 138 may not result in preferential treatment of creditors of the credit institution referred to in paragraph 1 in the Republic of Poland in relation to creditors of this institution from other Member States.

10. Measures undertaken in accordance with paragraph 3 shall be applied until administrative or court bodies of the home Member State undertake reorganisation activities equivalent to the activities defined in Chapter 12.

11. The Polish Financial Supervision Authority shall cease to apply measures pursuant to paragraph 3 if it finds that the premises justifying their application, defined in paragraphs 1 and 2, have ceased to exist.

12. In the case when competent supervisory authorities of the home Member State or another interested Member State object against the measures undertaken by the Polish Financial Supervision Authority in accordance with paragraph 3, the Polish Financial Supervision Authority may refer the case to the European Banking Authority and request it for help in accordance with Article 19 of Regulation No. 1093/2010.

13. The Polish Financial Supervision Authority may object against activities equivalent to the activities referred to in Article 138, undertaken by competent supervisory authorities of the host Member State in relation to a branch of a domestic bank. If such an objection is made, the Polish Financial Supervision Authority may also refer the case to the European Banking Authority and request it for help in accordance with Article 19 of Regulation No. 1093/2010.

14. The Polish Financial Supervision Authority may object against activities equivalent to the activities referred to in Article 138, undertaken by competent supervisory authorities of the host Member State in relation to a branch of a credit institution conducting business in that State, if the activities influence business of that credit institution conducted in the

Republic of Poland through a branch or as part of cross-border operations. If such an objection is made, the Polish Financial Supervision Authority may also refer the case to the European Banking Authority and request it for help in accordance with Article 19 of Regulation No. 1093/2010.

Article 141b.

1. Having received information from the competent supervisory authorities of a host Member State that a domestic bank operating in the territory of that Member State through a branch office or in the form of a cross-border activity is in breach of the provisions of law in force in that host Member State, the Polish Financial Supervision Authority may apply the measures referred to in Article 138.3 in respect of that bank.
2. The provisions of Article 127 § 3 of the Code of Administrative Procedure do not apply to decisions of the Polish Financial Supervision Authority issued in accordance with the provisions of par. 1.
3. A domestic bank may appeal against the decision of the Polish Financial Supervision Authority referred to in par. 1 to an administrative court within 7 days from the date of that decision having been served.
4. If competent supervisory authorities of the host Member State notify the Polish Financial Supervision Authority that a domestic bank carrying out activities in that State through a branch or as part of cross-border operations fails to abide by law regulations of the host Member State or provisions of Regulation No. 575/2013, or it is probable that it will not abide by these regulations, the Polish Financial Supervision Authority shall undertake relevant supervisory measures with regard to the domestic bank, aimed at removal of the irregularities by that bank. The Polish Financial Supervision Authority shall inform the competent supervisory authorities of the host Member State about the measures undertaken.

Article 141c.

1. Supervision over the activity of a credit institution pursuing its business in the Republic of Poland through a branch or by engaging in cross-border operations shall be exercised, subject to the provisions of Article 42c.1, by competent supervisory authorities of the home Member State.
2. (repealed).
3. The Polish Financial Supervision Authority will supervise the activities of a domestic bank operating in a host Member State through a branch office or in the form of a cross-border activity.

Article 141d.

1. Employees of the Office of the Polish Financial Supervision Authority shall carry out control activities at branches of credit institutions in the scope defined in Article 42c.1, and in the other scope - on the basis of the authorisation referred to in paragraph 2.
2. The competent supervisory authorities of a home Member State may perform on-the-spot verification in the branch office referred to in par. 1, either themselves or through authorised persons, having first informed the Polish Financial Supervision Authority of the date and

scope of such verification.

Article 141e.

1. The Polish Financial Supervision Authority and the competent supervisory authorities of a home Member State of a credit institution operating in the Republic of Poland through a branch office or in the form of a cross-border activity, will exchange such information as may be necessary for the monitoring of the liquidity and solvency of such institutions, and other information, in particular with regard to:

- 1) management and ownership structure of credit institutions;
- 2) the principles for deposit guarantees;
- 3) concentration of exposures;
- 4) accounting principles;
- 5) administrative procedures applied;
- 6) internal control system;
- 7) procedures and principles of on-the-spot verifications;
- 8) supervisory measures taken.

2. The Polish Financial Supervision Authority and the competent supervisory authorities of the host Member State where a domestic bank operates will exchange the information referred to in par. 1.

3. The information referred to in par. 1 and 2 may also be exchanged under an agreement concluded by the Polish Financial Supervision Authority with the competent supervisory authorities.

4. Upon request of competent supervisory authorities of the host Member State in which a domestic bank carries out activities through a branch or as part of cross-border operations, the Polish Financial Supervision Authority shall advise of the manner in which the information provided by the authorities in relation to that bank is taken into account.

5. If competent supervisory authorities of the host Member State notify the Polish Financial Supervision Authority that the latter has failed to apply relevant measures in relation to a domestic bank, and undertake relevant supervisory activities, the PFSA may refer the case to the European Banking Authority and request it for help in accordance with Article 19 of Regulation No. 1093/2010.

6. The Polish Financial Supervision Authority may request competent supervisory authorities of the home Member State of a credit institution conducting business in the Republic of Poland through a branch or as part of cross-border operation for information on the manner in which the information relating to the credit institution, provided by the Polish Financial Supervision Authority, was taken into account.

7. If, after receipt of the information referred to in paragraph 6, the Polish Financial Supervision Authority finds that the competent supervisory authorities of the home Member State have failed to apply relevant measures, it shall undertake supervisory activities to protect stability of the financial system, interest of the depositors, investors, and other clients, after informing thereof the competent supervisory authorities of the home Member

State and the European Banking Authority.

Chapter 11b

Supervision on a Consolidated Basis

Article 141f.

1. A domestic bank operating in the following holdings is supervised on a consolidated basis:
 - 1) a domestic bank holding company;
 - 2) a foreign bank holding company;
 - 3) a financial holding company;
 - 4) a mixed-activity holding company;
 - 5) a hybrid holding company.

2. Supervision on a consolidated basis exercised over a bank shall not prevent the application of the appropriate provisions of this Act governing the bank's activities as an entity covered by supervision on an individual basis.
 - 2a. In the case of participations or capital ties other than defined in Article 18.1 and 18.4 of Regulation No. 575/2013, banks carry out consolidation with the use of the equity method.
3. The Polish Financial Supervision Authority may enter into agreements with the competent supervisory authorities in other countries, specifying the extent and form of co-operation when exercising supervision on a consolidated basis over banks operating in the holdings referred to in par. 1, and supervision of the significant branches of domestic banks and significant branches of credit institutions, as well as the scope and procedures of operation of the colleges referred to in par. 18. The Polish Financial Supervision Authority shall notify the European Banking Authority of the conclusion and the content of any such agreements. The provisions of Article 131.3 (2) and (3) apply accordingly.
 - 3a. In order to ensure effective supervision on a consolidated basis, the Polish Financial Supervision Authority may delegate its tasks and responsibilities, under the agreements referred to in par. 3 and subject to the provisions of Article 28 of Regulation 1093/2010, to the competent supervisory authority of another Member State, or take over the tasks and responsibilities from the competent supervisory authority of another Member State, so as to ensure that the competent supervisory authority that exercises supervision over a parent undertaking is able to exercise effective supervision over a subsidiary. Such delegation agreements shall specify, in particular:
 - 1) the scope of such delegated tasks and responsibilities;
 - 2) the extent to which Polish law and the law of another Member State apply to such delegated tasks and responsibilities;
 - 3) the obligation of the competent supervisory authority of another Member State to notify the Polish Financial Supervision Authority of the supervisory measures taken and of their effects;
 - 4) the conditions and procedure for the modification or revocation of the delegation.
 - 3b. Delegation of tasks and responsibilities shall be revoked in particular in the event of any

change in the circumstances as a result of which the entity specified in the agreement referred to in par. 3a ceases to be a subsidiary of the parent undertaking supervised by the competent supervisory authority.

3c. The agreements referred to in par. 3a may also specify the conditions for joint exercise of the tasks and responsibilities by the Polish Financial Supervision Authority and the competent supervisory authority.

3d. Under the agreements referred to in par. 3a, the Polish Financial Supervision Authority may accept only those tasks and responsibilities of the competent supervisory authority that are in accordance with the supervisory tasks and objectives specified in the Act.

3e. Prior to entering into the delegation agreement referred to in par. 3a, the Polish Financial Supervision Authority shall provide the following information to the subsidiary to which the agreement refers:

- 1) the intention to enter into the agreement,
- 2) the planned scope of the agreement,
- 3) the competencies of the competent supervisory authority as regards the tasks and responsibilities to be delegated,
- 4) the procedures for appealing against the decisions of the competent supervisory authority

- so as to enable that subsidiary to express its opinion on the matter.

3f. The Polish Financial Supervision Authority shall publish the delegation agreement referred to in par. 3a on its website immediately upon the conclusion thereof, indicating the entity to which the agreement refers.

3g. Where the competent supervisory authority refuses to enter into the agreement referred to in par. 3 or has entered into the agreement but does not comply with its terms, including a case where the competent supervisory authority fails to provide the information requested by the Polish Financial Supervision Authority within the prescribed time limit or refuses to provide such information, the Polish Financial Supervision Authority may notify the European Banking Authority thereof. The Polish Financial Supervision Authority may also notify the European Banking Authority of the failure by the competent supervisory authority to provide the information on the appeals procedures referred to in par. 3e (4).

3h. If the exercise of a decision or another measure taken by the competent supervisory authority could pose a threat to the sound and prudent management of a bank, the Polish Financial Supervision Authority may terminate the delegation agreement referred to in par. 3a and suspend the exercise of such a decision or measure.

4. In the absence of the agreement referred to in paragraph 3, the Polish Financial Supervision Authority and the competent supervisory authorities controlling credit institutions shall exchange, by means of cooperation, in particular the information necessary to exercise supervision on a consolidated basis, supervision over significant branches of domestic banks and significant branches of credit institutions, and shall undertake activities specified in Articles 138.1 (2a) and 138b, subject to the conditions defined in Article 131.3 (2) and (3).

5. Where a domestic bank operates in a financial conglomerate where a parent undertaking is

a non-regulated parent undertaking within the meaning of the Supplementary Supervision Act, provisions of that Act shall apply.

6. The Polish Financial Supervision Authority exercises supervision on a consolidated basis over a domestic bank operating within a holding company in the case when:

- 1) the domestic bank is a subsidiary undertaking of another domestic bank;
- 2) the domestic bank is a subsidiary undertaking of a financial institution or a unregulated parent undertaking within the meaning of Article 3 (5) of the Act on Supplementary Supervision;
- 3) the parent undertaking of the domestic bank and the credit institution is the same financial institution or unregulated parent undertaking within the meaning of Article 3 (5) of the Act on Supplementary Supervision, provided that the financial institution or the unregulated parent undertaking has its registered office in the Republic of Poland;
- 4) parent undertakings of the domestic bank and the credit institution are unregulated parent undertakings within the meaning of Article 3 (5) of the Act on Supplementary Supervision, or financial institutions with the registered office in the Republic of Poland as well as in other Member States where the authorisation for operations of these credit institutions has been issued, provided that the domestic bank's balance sheet total exceeds the balance sheet total of each of the credit institutions;
- 5) the parent undertaking of the domestic bank and the credit institution is an unregulated parent undertaking within the meaning of Article 3 (5) of the Act on Supplementary Supervision, or a financial institution with the registered office in a Member State other than the Republic of Poland and the Member State where the authorisation for operations has been obtained by any of the credit institutions being subsidiary undertakings of the same financial institution, provided that the domestic bank's balance sheet total exceeds the balance sheet total of each of the credit institutions.

7. In particular cases, the Polish Financial Supervision Authority may, by way of an agreement, determine together with the competent supervisory authorities that the criteria referred to in paragraph 6 (3) to (5) shall not be applied if they are invalid due to the specificity of the bank, credit institution, or relative importance of their activity in the Republic of Poland or other Member States.

8. In the case referred to in par. 7, the competent supervisory authorities will seek to reach agreement as to who amongst them will exercise supervision on a consolidated basis.

9. In order to make the agreement referred to in paragraph 8, the competent supervisory authorities may consult a EU parent institution, EU parent financial holding company, EU parent mixed financial holding company within the meaning, respectively, of Article 4.1 (29), (31), and (33) of Regulation No. 575/2013, or a credit institution or bank with the highest balance sheet total.

10. The Polish Financial Supervision Authority shall notify the European Commission and the European Banking Authority of the exercise of supervision on a consolidated basis by the Polish Financial Supervision Authority under the agreement referred to in par. 8.

11. The Polish Financial Supervision Authority shall notify the EU parent institution, EU parent financial holding company, EU parent mixed financial holding company within the meaning, respectively, of Article 4.1 (29), (31), and (33) of Regulation No. 575/2013, or a

bank with the highest balance sheet total of the supervision exercised on a consolidated basis by the PFSA.

11a. The Polish Financial Supervision Authority shall provide to the interested competent supervisory authorities and the European Banking Authority data related to the legal structure, management structure, and organisational structure of a holding company over which it exercises supervision on a consolidated basis, including:

- 1) information about close links existing between the entities comprising the holding company;
- 2) description of the management system of the entities comprising the holding company, including the risk management system and the internal control system, and also the remuneration policy.

11b. If an emergency situation occurs, including an emergency situation as defined in Article 18 of Regulation No. 1093/2010, or adverse changes occur on the markets which can put in jeopardy the liquidity on the market and the stability of the financial system of the Member State in which the entities belonging to the same holding company as the bank have obtained an authorisation to carry out their activities, or of a Member State in which significant branches of the bank carry out their activities, the Polish Financial Supervision Authority, as part of the supervisory activities conducted on a consolidated basis, shall immediately notify the European Banking Authority, the European Systemic Risk Board, the Financial Stability Committee, and the National Bank of Poland, and shall provide to these institutions information necessary to carry out their tasks.

11c. If the National Bank of Poland becomes aware of the occurrence of an emergency situation referred to in paragraph 11b, it shall immediately notify the Polish Financial Supervision Authority, other competent supervisory authorities exercising supervision on a consolidated basis over the entities belonging to the holding company, and the European Banking Authority.

11d. If the Polish Financial Supervision Authority, in order to correctly exercise supervision on a consolidated basis, needs information about the occurrence of an emergency situation referred to in paragraph 11b, possessed by another competent supervisory authority, the PFSA shall address that authority directly and request it to provide the information.

12. The Polish Financial Supervision Authority will notify the competent supervisory authorities of the home Member State, or the competent supervisory authorities exercising consolidated supervision of a credit institution, of the intention to co-operate in the area of supervision of a significant branch of that credit institution.

13. If, within 2 months from the date of the information referred to in par. 12 having been received by the competent supervisory authorities, an agreement between the Polish Financial Supervision Authority and the competent supervisory authorities is not reached, the Polish Financial Supervision Authority will issue a decision, within the following 2 months, for a branch office to be designated as significant, having regard to the opinions of the competent supervisory authorities, if the activities of that branch office in the Republic of Poland are significant, and, in particular, if at least one of the following conditions is met:

- 1) the market share of that branch in terms of cash deposits higher than 2%;
- 2) the significant number of clients, considering the scale of banking operations

performed by that branch;

3) the impact of a suspension or closure of the operations of the credit institution of that branch may represent a threat to the stability of the financial system or security of the payment, clearing and settlement systems in the Republic of Poland.

14. When issuing the decision referred to in par. 13, the Polish Financial Supervision Authority will consider the opinion of the competent supervisory authority, and will justify any significant departures from that opinion, if the opinion is received within 2 months from the date of the notification referred to in par. 12 having been received.

15. The decision referred to in par. 13 is served to the credit institution operating in the Republic of Poland through a significant branch, to that significant branch of the credit institution, and to competent supervisory authorities in the Member States concerned.

16. The decision referred to in par. 13 shall not affect any rights and obligations of the competent supervisory authorities in respect of that branch office.

16a. If, prior to the expiry of the time limit of two months from the receipt of the notification referred to in par. 12, the competent supervisory authority refers the case to the European Banking Authority in accordance with Article 19 of Regulation 1093/2010, the Polish Financial Supervision Authority shall suspend the proceedings until the European Banking Authority has taken the decision referred to in Article 19(3) thereof.

17. Where a notification is received that a significant branch of a domestic bank operates in a host Member State, including, in particular, a branch that meets the following conditions:

1) the market share of that branch in terms of cash deposits in the host Member State higher than 2%, or

2) the significant number of clients, considering the scale of banking operations performed by that branch, or

3) the impact of a suspension or closure of the operations of that domestic bank may represent a threat to the stability of the financial system or security of the payment, clearing and settlement systems in the host Member State

- the Polish Financial Supervision Authority will immediately, and in any case not later than within 2 months from the date of that notification having been received, co-operate with the competent supervisory authorities in that host Member State in accordance with the provisions of par. 18, providing, in particular, such information as may be necessary to ensure the exercise of supervision by those competent supervisory authorities, subject to the conditions referred to in Article 131.3 (2) and (3).

18. To ensure supervision on a consolidated basis of banks operating in the holdings referred to in par. 1, the Polish Financial Supervision Authority will establish colleges of the competent supervisory authorities, hereinafter referred to as "colleges of supervisors", and will chair those colleges, in co-operation with the competent supervisory authorities in third countries, with the competent supervisory authorities in the host Member States where a significant branch of a domestic bank operates, and with central banks, if necessary to ensure the implementation of their tasks provided for in the law, in order to guarantee effective co-operation and the exchange of information referred to in par. 17.

19. The Polish Financial Supervision Authority will decide on the participation and activities of a competent supervisory authority in a college of supervisors, as well as on the scope of

activities and procedures of operation of the colleges of supervisors, after consultation with the competent supervisory authorities concerned. The Polish Financial Supervision Authority will notify members of a college of supervisors of the dates of their meetings, the main items of the agenda of such meetings, the activities to be considered or implemented, and of the applied supervisory measures.

20. When planning and co-ordinating its activities necessary to take decisions relating to the exercise of supervision on a consolidated basis, the Polish Financial Supervision Authority will consider the relevance of the activities of the competent supervisory authorities, including the supervisory measures and the practice of their implementation, as well as the potential impact on the stability of the financial systems in the Member States concerned.

21. Subject to the obligation to ensure banking secrecy, the Polish Financial Supervision Authority will inform the European Banking Authority of the activities of a college of supervisors, including, in particular, in emergency situations, and will communicate to the European Banking Authority all information that is of particular relevance for the purposes of supervisory convergence.

Article 141g.

1. Domestic banks operating in the holding companies referred to in Article 141f.1 will submit to the Polish Financial Supervision Authority immediately, and in any case not later than within 30 days from the date of approval:

- 1) by the general meeting, their own consolidated financial statements along with an audit report;
- 2) financial statements of the bank's subsidiaries and financial statements of entities with which the bank has close links, which subsidiaries or entities have not been included in the consolidated financial statement drawn up by the bank; such financial statements should be submitted along with audit reports.

2. Domestic banks operating in the holding companies referred to in Article 141f.1 (2)-(5) will also submit to the Polish Financial Supervision Authority immediately, and in any case not later than within 90 days from the date of approval, the consolidated financial statements of the original parent undertaking in a holding company or the financial statements prepared at the highest level of consolidation.

3. The documents referred to in par. 1 and 2 prepared in a foreign language will be submitted by banks along with a certified translation into the Polish language.

4. The provisions of par. 1 and 2 do not apply to the entities that are under no obligation to prepare consolidated financial statements, pursuant to the applicable accounting regulations.

5. At the bank's justified request, the Polish Financial Supervision Authority may release the bank from the obligations referred to in par. 1-3 or limit their scope.

6. For the purposes of consolidated supervision, financial statements are prepared in accordance with the applicable accounting regulations.

7. If the holdings referred to in Article 141f.1 include ancillary banking services undertakings, data disclosed in their financial statements will be included in the consolidated financial statements prepared by the parent undertaking.

Article 141h.

1. In order to verify the received information, banking supervision inspectors and persons authorised by the Polish Financial Supervision Authority may, subject to the provisions of par. 2 and 3, perform on-the-spot verifications in entities operating in the holding companies referred to in Article 141f.1 and in ancillary banking services undertakings that provide services to members of such holding companies. The provision of Article 139.1 (2) applies accordingly.

2. (repealed).

3. The Polish Financial Supervision Authority may require:

1) a bank being a parent undertaking in a domestic bank holding company, or

2) a parent undertaking in one of the holding companies referred to in Article 141f.1 (3)-(5), having its registered office in the Republic of Poland

- to have the statutory auditor designated by the Polish Financial Supervision Authority examine the financial situation of the subsidiaries or entities closely linked to a domestic bank operating in a holding company, where there are doubts, in the opinion of the Polish Financial Supervision Authority, as to the reliability of the approved financial statements, or where it is necessary to examine the economic links to another entity. Costs of such audits are borne by the bank or parent undertaking in a holding company, as appropriate, subject to the provision of par. 4.

4. If the irregularities referred to in par. 3 are not identified in an audit commissioned by the Polish Financial Supervision Authority, costs of the audit will be borne by the Polish Financial Supervision Authority.

Article 141i.

1. A domestic bank that is a parent undertaking in a domestic bank holding company, as well as a parent undertaking in a financial holding company, mixed-activity holding company, and a hybrid holding company, with its registered office in the Republic of Poland, are under the obligation to implement the effective system of internal control of the data and information required for the purposes of consolidated banking supervision, and to provide, at the request of the Polish Financial Supervision Authority or persons authorised by the Polish Financial Supervision Authority, any information and explanations relating to their activities and the activities of members of that holding company.

2. Members of the management board of a parent undertaking in a financial holding company should give a guarantee of the sound and prudent management of that undertaking.

3. A domestic bank operating in a mixed-activity holding company shall implement the appropriate internal control mechanisms and risk management processes, including the reporting and accounting procedures, in order to identify, measure, monitor, and control the bank's transactions with a parent undertaking and subsidiaries in a holding company.

4. The domestic bank referred to in paragraph 3 shall define a policy of identification of significant transactions within the meaning of the Act on Supplementary Supervision with the entities referred to in paragraph 3. The bank is obliged to advise the Polish Financial Supervision Authority of any such transaction, except for transactions related to exposures

within the meaning of Article 389 of Regulation No. 575/2013.

Article 141j.

(repealed).

Article 141k.

1. An entity operating in one of the holding companies referred to in Article 141f.1 (2) and (3), having its registered office in the Republic of Poland, whose parent undertaking has its registered office in a Member State, shall provide such information as may be necessary to prepare consolidated financial statements, at the request of the parent undertaking.
2. An entity operating in one of the holding companies referred to in Article 141f.1 (2)-(5), having its registered office in the Republic of Poland, which is not supervised by the Polish supervisory authorities, shall provide any information requested by the competent supervisory authorities responsible for the supervision of a credit institution or financial institution operating in a holding company, and shall enable the verification of such information by those authorities.
3. Where a domestic bank operates in a foreign bank holding company or in a financial holding company in which a parent undertaking has its registered office in a non-Member State, and the agreement referred to in Article 141f.3 has not been reached, the Polish Financial Supervision Authority shall verify whether that domestic bank is subject to supervision on a consolidated basis in accordance with the provisions of this Chapter.
4. The Polish Financial Supervision Authority will perform the activities referred to in par. 5 *ex officio* or at the request of the parent undertaking in a holding company, or of the regulated undertaking within the meaning of Article 3 (4) of the Supplementary Supervision Act that holds a licence to pursue its activities in a Member State.
5. The provisions of this Chapter apply in the case when the verification procedure shows that the domestic bank referred to in Article 141f.3 is not subject to supervision on a consolidated basis in accordance with the provisions of this Chapter.

Article 141l.

1. The Polish Financial Supervision Authority will maintain a list of:
 - 1) domestic bank holding companies;
 - 2) foreign bank holding companies in which a domestic bank operates;
 - 3) financial holding companies in which a domestic bank operates;
 - 4) hybrid holding companies.
2. Requests for entering a holding company in an appropriate list and any updates thereof are submitted to the Polish Financial Supervision Authority:
 - 1) by a domestic bank - if that bank is a parent undertaking in a holding company, or if the original parent undertaking in a holding company, in which that domestic bank operates, has its registered office abroad;
 - 2) by a parent undertaking of a domestic bank, if that entity is the original parent

undertaking in a holding company, in which that domestic bank operates, and has its registered office in the Republic of Poland.

3. The minister responsible for financial institutions shall define, by way of a regulation, the manner of maintaining a list of holding companies, the procedure and time frames for submitting applications and updating entries of holding companies, and a template of an application form for entering a holding company into the list, with a view to ensuring access of the Polish Financial Supervision Authority to the data necessary to correctly exercise supervision, the transparency of activity, and the stability of the financial market.
4. The Polish Financial Supervision Authority shall notify the competent supervisory authorities of other Member States of any changes in the lists referred to in par. 1.

Chapter 12

Recovery Plans and Early Intervention, Bank Liquidation, and Bank Bankruptcy

A.

Recovery plan

Article 141m.

1. A domestic bank not operating within a holding company referred to in Article 141f.1 and the entities referred to in Article 77.7 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring develop recovery plans specifying actions to be taken if the financial situation of the bank deteriorates seriously in the case of a threat to the financial stability, a difficult macroeconomic situation, or other events affecting adversely the financial market or the bank.
2. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may, by way of a decision, order a bank operating in a holding company referred to in Article 141f.1 or a major branch of a credit institution to develop a recovery plan.
3. A recovery plan shall include:
 - 1) actions aimed at maintaining or restoring the bank's solvency or the bank's capability to generate profits;
 - 2) the levels of qualitative and quantitative indicators describing the bank's financial situation which can be effectively monitored and which, when reached, can trigger the actions specified in the recovery plan;
 - 3) actions aimed at limiting risks and the leverage referred to in Article 4.1 (93) of Regulation No 575/2013, without taking into account the possibility of obtaining extraordinary public financial support;
 - 4) the principles of the bank's information policy in the period of implementation of the recovery plan.
4. A bank shall update its recovery plan at least once a year and after a major change in its organisational or legal structure or in its financial situation, or after the occurrence of any other event affecting the assumptions made in the recovery plan and the implementation of that plan. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall,

by way of a decision, approve any updates to a recovery plan. The provisions of Articles 141p.1 to 141p.4 shall apply accordingly to a request for approval of a plan update.

5. A bank shall prepare a recovery plan within the time limit set in the decision referred to in Article 36.1, however, not later than within a year from the date on which it was granted a licence to commence its activities.

Article 141n.

1. A bank being an original parent undertaking in a domestic bank holding company, a bank operating within a mixed-activity holding company whose original parent undertaking has its registered office within the territory of the Republic of Poland, or a bank operating within a holding whose parent undertaking has its registered office outside a member state shall develop a group recovery plan at the holding level. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may, by way of a decision, order a bank to develop a recovery plan or a group recovery plan including entities having their registered offices within the territory of the Republic of Poland and operating in the same holding company as the bank.

2. The bank referred to in paragraph 1 shall file an application for approval of the group recovery plan with *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority]. The bank shall attach opinions on obstacles to taking remedial actions at the holding level and within particular entities covered by the recovery plan, as well as on major obstacles to the immediate transfer of funds between entities supervised in the holding company aimed at providing additional capital for those entities or repaying their liabilities.

3. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall, by way of a decision, approve the plan referred to in paragraph 1, taking into account the recovery plans of the entities operating within the same holding company as the bank, provided that the regulations with which those entities are obliged to comply provide for the development of such recovery plans, as well as the assessment of the competent supervisory authorities and the agreement referred to in Article 141t.

4. A group recovery plan shall include the elements specified in Article 141m.3 concerning a given holding company.

5. The provisions of Articles 141m. 4 and 141m.5 shall apply accordingly to group recovery plans.

6. Group recovery plans shall be transferred by *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] to:

- 1) the competent supervisory authorities of the entities operating within the holding company;
- 2) the competent supervisory authorities of major branches of the bank, within the scope applicable to those branches;
- 3) *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund];
- 4) compulsory debt restructuring authorities having jurisdiction over the entities operating within the holding company;
- 5) the minister responsible for financial institutions.

Article 141o.

1. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may grant consent to the development of a group recovery plan for banks belonging to the protection system referred to in Article 22b.1 of the Act on Functioning of Cooperative Banks, their Affiliation, and Affiliating Banks, or the integrated affiliation referred to in Article 22o.1 of that Act by the affiliating entity referred to in Article 22d.1 (2) of that Act or the affiliating bank referred to in Article 22d.1 (1) of that Act, in the case of banks meeting the requirements laid down in Article 113.7 of Regulation No 575/2013 or permanently affiliated to the central body referred to in Article 10.1 of that Regulation, upon their request. Such a request on behalf of a bank permanently affiliated to the central body shall be made by the central body developing the plan.
2. Subject to any provisions concerning the protection of information, the banks referred to in paragraph 1 shall, upon the request of the entity developing and updating the group recovery plan, provide information necessary to develop and update that plan. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may, by way of a decision, order a bank that has refused to provide information to develop or update its own recovery plan.
3. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall notify the European Banking Authority of having granted consent to the development of the group recovery plan referred to in paragraph 1.

Article 141p.

1. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may, by way of a decision, limit the subjective or objective scope of the recovery plan referred to in Articles 121m.1 and 121m.2, Article 141n.1, and Article 141o.1.
2. Taking the decision referred to in paragraph 1, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall take into account:
 - 1) the effect of the bankruptcy of the given bank on the entities specified in Article 1.2 of the Financial Market Supervision Act of 21 July 2006 or on national economy;
 - 2) the character of the bank's activities and the scope and degree of their complexity, the bank's ownership structure, legal form, risk profile, size or links with entities other than those specified in Article 1.2 of the Financial Market Supervision Act of 21 July 2006;
 - 3) membership of a protection system or the systems referred to in Article 113.7 of Regulation No 575/2013 or permanent affiliation to the central body referred to in Article 10.1 of that Regulation;
 - 4) the provision of investment services or involvement in investment activities within the meaning of the Act of 29 July 2005 on Trading in Financial Instruments.
3. In order to determine the circumstances referred to in paragraph 2 (1) and in Article 141t.2 (5), *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may consult *Komitet Stabilności Finansowej* [the Financial Stability Committee] and *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund].
4. Should the circumstances referred to in paragraph 2 change, *Komisja Nadzoru*

Finansowego [the Polish Financial Supervision Authority] may amend or revoke the decision referred to in paragraph 1.

5. The minister responsible for financial institutions shall define, by way of a regulation, the detailed scope of the recovery plan or the group recovery plan referred to in Articles 141m.1 and 141m.2, Article 141n.1, and in Article 141o.1, having regard to the character of the bank's activities and the scope and degree of their complexity, the bank's ownership structure, legal form, risk profile, size or links with entities other than those specified in Article 1.2 of the Financial Market Supervision Act of 21 July 2006.

Article 141q.

1. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall, by way of a decision, approve the recovery plan and the group recovery plan referred to in Articles 141m.1 and 141m.4 and Article 141n.1 within 6 months from the date on which the bank submitted an application for approval of that plan, taking into account the adjustment of the bank's capital structure and financing structure to its organisational structure and risk profile, as well as the results of the latest supervisory review and assessment referred to in Article 133a, and:

- 1) the requirements referred to in Articles 141m.1 and 141m.3;
- 2) the effectiveness of the recovery plan in terms of improving the bank's financial situation, including its solvency and capability to generate profits;
- 3) in the case of a threat to the financial situation of the bank, the possibility of promptly taking the actions provided for in the recovery plan, in a manner limiting the negative effects on the financial system.

2. The bank shall attach to the application a resolution of the bank's supervisory body on the approval of the recovery plan.

3. Where a recovery plan covers major branches of a domestic bank, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall approve that plan after consultation with the competent supervisory authorities of the Member States hosting those branches concerning the financial situation of those branches.

4. Before issuing the decision referred to in paragraph 1, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall, within 14 days, request *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund] to issue an opinion on the projected influence of the implementation of the recovery plan on the compulsory debt restructuring referred to in Section III Chapter 5 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring. This time limit shall not be included in the time limit referred to in paragraph 1.

5. Should it be established that the given recovery plan prevents the effective conduct of compulsory debt restructuring proceedings, *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund] shall immediately notify *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] of this fact.

6. Where a recovery plan does not satisfy the conditions for the issuance of the decision referred to in paragraph 1, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision

Authority] shall request that the bank completes or amends the recovery plan within 2 months as of the date of service of the request. This time limit shall not be included in the time limit referred to in paragraph 1. At the request of the bank, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may extend this time limit by one month.

7. Where the bank does not amend the recovery plan or does not complete it or where the recovery plan does not satisfy the conditions for the issuance of the decision referred to in paragraph 1 despite having been amended or completed, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall, by way of a decision, refuse to approve the recovery plan and request the bank to produce a new recovery plan.

8. Should the bank not take the actions referred to in paragraph 7 or should *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] deem such actions to be insufficient, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may order the bank to take the measures referred to in Article 138.1.

9. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall transfer approved recovery plans to *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund].

10. In the case of refusal to approve a group recovery plan, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may, by way of a decision, revoke the consent referred to in Article 141o.1.

Article 141r.

1. When taking the decision referred to in Article 141q.1 as part of supervision on a consolidated basis, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall cooperate with the competent supervisory authorities exercising supervision over entities operating within the same holding company in which the given bank operates and shall seek to achieve a common position both on the decision and the assessment of the reasons for that decision. The provisions of Articles 138b.1 to 138b.4, the first sentence of Article 138b.5, and Articles 138b.5a to 138b.7 shall apply accordingly.

2. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall cooperate with the competent supervisory authorities exercising supervision over entities operating within the same holding company in which the given bank operates and shall seek to achieve a common position both on the decision about the approval of the group recovery plan by those authorities and the assessment of the reasons for that decision.

3. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may file with the European Banking Authority an application for support in reaching an agreement with the competent supervisory authorities, in accordance with Article 31 of Regulation No 1093/2010, and for the initiation of binding mediation where no agreement is reached with the competent supervisory authorities in respect of the issuance of the decisions referred to in paragraph 2 and Articles 141n.1 and 141n.3.

Article 141s.

1. A bank may take actions set out in its recovery plan despite the indicator levels referred to in Article 141m.3 (2) not having been reached. In such a case, the management board of the bank shall adopt a resolution on taking such actions and shall immediately transfer it to

Komisja Nadzoru Finansowego [the Polish Financial Supervision Authority] along with a statement of reasons.

2. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may grant consent to not taking an action set out in the recovery plan despite the indicator levels referred to in Article 141m.3 (2) not having been reached, provided that this does not affect negatively the sound and prudent management of the bank. Such a consent shall be issued upon application of the bank. The bank shall attach to the application a resolution of the management board on not taking such an action, along with a statement of reasons.

Article 141t.

1. A bank operating within one of the holding companies referred to in Article 141f.1 may, with the consent of *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority], conclude a financial support agreement with other entities subject to supervision on a consolidated basis operating within the same holding company and with closely linked entities. Support shall be granted on the basis of reciprocity, as specified in the agreement, in particular by granting a loan, a guarantee or a collateral for the repayment of credits and loans or the performance of obligations.

2. Financial support may be granted on condition that:

- 1) the bank receiving the support has satisfied the conditions for the issuance of the decision referred to in Article 142, Article 144, or Article 145;
- 2) it will significantly contribute to improving the financial situation of the bank receiving the support;
- 3) it will enable maintaining or restoring the financial stability at the holding level and it is in the interest of the entity granting the support;
- 4) the bank receiving the support is capable of repaying it together with the interest within the contractual time limits;
- 5) it does not threaten the liquidity or solvency of the entity granting the support;
- 6) it does not threaten the stability of the national financial system;
- 7) the bank granting the support meets the requirements laid down in Article 92, Article 412, and Article 460 of Regulation No 575/2013, as well as complies with the recommendations and orders referred to in Article 138.1 (2) and (4) to (6), and granting the financial support will not result in non-compliance with those requirements, recommendations, and orders;
- 8) granting the support does not threaten the implementation of the recommendations referred to in Article 95.4 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring in relation to the bank granting the support.

3. The agreement referred to in paragraph 1 shall define the rules for calculating fees and commissions charged on activities performed in connection with the support granted, including the rules for determining those fees and commissions at the time of granting the financial support, taking into account all direct or indirect benefits that the parties may derive from the granting of the financial support.

4. Subject to any provisions concerning the protection of information, the bank seeking the support shall, at the request of the entity granting the support, provide information necessary to conclude and perform the agreement and to determine fees and commissions.
5. Entrusting the performance of the agreement referred to in paragraph 1 to a third person shall be invalid.

Article 141u.

1. Upon application of a bank, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may, by way of a decision, grant consent to the conclusion of the agreement referred to in Article 141t.1.
2. The bank shall attach to the application a draft agreement and resolutions of the general meetings of shareholders of the banks competent for giving consent to the conclusion of the agreement, adopted in each of the banks by a 3/4 majority of votes. Such resolutions may contain conditions and time limits for granting support.
3. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may grant consent to the conclusion of the agreement where the satisfaction of the conditions referred to in Article 141t is ensured and no party to the agreement meets the conditions for taking the actions referred to in Article 142.1. Any amendments to the agreement shall require prior written consent of *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority].
4. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall immediately transfer the application to the supervisory authorities having jurisdiction over the entities being parties to the agreement.
5. When granting the consent referred to in paragraph 1 as part of supervision on a consolidated basis, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall cooperate with the competent supervisory authorities exercising supervision over entities operating within the same holding company in which the given bank operates and shall seek to achieve a common position both on the decision and the assessment of the reasons for that decision. The provisions of Articles 138b.1 to 138b.4, the first sentence of Article 138b.5, and Articles 138b.5a to 138b.7 shall apply accordingly.
6. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may, within 2 days from the date on which it gained knowledge on the decision of the competent supervisory authorities on the refusal to grant financial support to the bank or a limitation in this respect, file with the European Banking Authority an application for support in reaching an agreement with the competent supervisory authorities, in accordance with Article 31 of Regulation No 1093/2010, and for the initiation of binding mediation.
7. After the conclusion of the agreement referred to in paragraph 1, the bank shall send a copy of that agreement to *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority]. *Komisja Nadzoru Finansowego* shall transfer a copy of the agreement to *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund].
8. The management board of the bank which concluded the agreement referred to in paragraph 1 shall, at least once a year, submit to the general meeting of shareholders a report from the performance of the agreement along with a report on activity.

Article 141v.

1. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may, by way of a decision, give consent to a bank granting support in the performance of the agreement referred to in Article 141t.1, upon application of the bank granting the support.
2. The bank shall attach to the application a resolution of the management board on granting financial support, along with a statement of reasons indicating the purpose of the support to be granted, the manner of satisfaction of the conditions specified in Article 141t, the effect of granting the support on the bank granting the support, and the effects of not granting the support on the financial situation at the holding level, as well as a resolution of the management board of the bank receiving the support on consent to the acceptance of the financial support.
3. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall grant the consent referred to in paragraph 1 within 5 working days from the date of receipt of the application, information, and analyses referred to in paragraph 2, subject to paragraph 4.
4. Should the application or the documents attached to the application be found to be incomplete, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall request the bank to complete that application or those documents within a time limit set.
5. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may limit the scope of financial support. Consent may be granted with a condition that a time limit is set or subject to a time limit.
6. Should *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] fail to grant consent within the time limit referred to in paragraph 3, financial support may be granted on the conditions specified in the application and the documents attached to the application.
7. The bank shall communicate its intention to grant financial support to:
 - 1) the competent supervisory authorities exercising supervision on a consolidated basis over the holding company within which the bank operates;
 - 2) the competent supervisory authorities of the bank receiving the support;
 - 3) the European Banking Authority.
8. The bank shall attach to the communication referred to in paragraph 7 copies of the resolutions referred to in paragraph 2 and the draft agreement referred to in Article 141u.2.
9. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall transfer a copy of the consent referred to in paragraph 1 to:
 - 1) the competent supervisory authorities exercising supervision over the bank receiving the support;
 - 2) the European Banking Authority.
 - 3) the college of supervisors and the compulsory debt restructuring college having jurisdiction over the bank granting the support;
 - 4) *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund].

Article 141w.

Entities being part of a holding company referred to in Article 4.1 (10) to (11c), subject to supervision on a consolidated basis, shall disclose to the public, in particular on their Internet websites, information on the conclusion of a financial support agreement within the holding company in accordance with Article 141t, the parties to the agreement, its subject-matter, and the associated costs incurred, and shall update that information on an annual basis. Information on no such agreement having been concluded shall also be subject to disclosure to the public and shall also be updated.

Article 141x.

A bank shall publicly disclose, in accordance with Articles 431 to 434 of Regulation No 575/2013, the information whether it is a party to a financial support agreement within the group. Where the bank is a party to such an agreement, it shall also publicly disclose a description of the general terms and conditions of the agreement and indicate the affiliated entities being parties to the agreement. Such information shall be updated not less frequently than once a year.

AA.

Early intervention

Article 142.

1. If a bank infringes or if there is a danger that the bank may infringe:

1) Article 92 of Regulation No 575/2013, taking into account the additional requirement related to own funds in excess of the amount resulting from the requirements calculated in accordance with the detailed principles set out in Regulation No 575/2013, referred to in Article 138.1 (2a),

2) Article 4 (2) of Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council (OJ L 11, 17.01.2015, p. 1) with regard to liquidity coverage requirement for Credit Institutions, taking into account the higher liquidity coverage requirement referred to in Article 128.6a (5) and the obligation to observe additional liquidity requirements, as referred to in Article 138.1 (1a),

3) the supervisory liquidity measures referred to in regulations issued pursuant to Article 128.6a (5), the obligation to observe additional liquidity requirements referred to in Article 138.1 (1a), and the provisions of Article 412, Article 429, and Article 460 of Regulation No 575/2013 or the provisions of Section IV Chapter 1 of the Act of 29 July 2005 on Trading in Financial Instruments,

4) Articles 3 to 7, Articles 14 to 17, and Articles 24 to 26 of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.06.2014, p. 84)

- the management board of the bank shall immediately notify *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] and *Bankowy Fundusz Gwarancyjny* [the Bank

Guarantee Fund] of this fact and shall ensure the implementation of the recovery plan.

2. The management board of the bank shall immediately notify *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] and *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund] of the infringements referred to in paragraph 1 and shall ensure the implementation of the recovery plan in the case of a serious deterioration in the financial situation of the bank, including a balance-sheet loss or a threat thereof, or a danger of insolvency or loss of liquidity, deteriorating liquidity and solvency, an increasing level of the leverage referred to in Article 4 (1) (93) of Regulation No 575/2013, a growing number of non-performing loans or credits or a concentration of exposure.

3. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may, by way of a decision:

- 1) request the management board of the bank to implement the recovery plan, including taking actions specified in the recovery plan, or to update that plan where the conditions for its implementation are different from the conditions set out during the development of the recovery plan, or to take, within a specified period of time, actions provided for in the updated recovery plan in order to fulfil the requirements referred to in paragraph 1 or to improve the financial situation;
- 2) forbid or limit granting of credits and cash loans to the shareholders (members), the members of the management board and the supervisory board, and the bank employees;
- 3) order that the amount of certain variable remuneration components be reduced or that the payment of certain variable remuneration components be suspended for persons holding managerial positions in the bank;
- 4) request the management board of the bank to convene an extraordinary general meeting of shareholders in order to consider the bank's situation, take a decision on covering a balance-sheet loss or adopt other resolutions, including a resolution on increasing the bank's own funds;
- 5) request the bank to dismiss one member or more members of the management board of the bank or persons holding managerial positions where those persons do not guarantee the sound and prudent management of the bank;
- 6) order, taking into account the recovery plan, the development and implementation of a restructuring plan in relation to liabilities towards some or all creditors;
- 7) order the introduction of amendments to the bank's business strategy;
- 8) order the introduction of amendments to the bank's articles of association or organisational structure.

4. Evaluating the financial situation of the bank, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may take into account the bank's compliance with the requirement related to own funds, as specified in paragraph 1 (1), increased by 1.5 percentage points, and an increasing level of the leverage referred to in Article 4 (1) (93) of Regulation No 575/2013, a growing number of non-performing loans or credits or a concentration of exposure.

5. The decision referred to in paragraph 3 shall have immediate effect.

6. Issuing the decision referred to in paragraph 3, *Komisja Nadzoru Finansowego* [the Polish

Financial Supervision Authority] may set conditions or time limits in that decision.

7. During the period of implementation of the recovery plan, the profit earned by the bank shall first be used to cover any losses and then to increase the bank's own funds.

8. If the decision referred to in paragraph 3 is issued, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall immediately notify *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund] of that fact.

Article 142a.

1. In the case referred to in Article 142.3 (4), the management board of the bank should convene an extraordinary general meeting of shareholders within 14 days as of the date of receipt of the decision, and after the ineffective expiration of this time limit, an extraordinary general meeting of shareholders may be convened by *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority]. In such a case, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall determine the agenda of the meeting.

2. The costs of convening and holding the general meeting shall be borne by the bank.

3. The total duration of adjournments in a general meeting shall not exceed 14 days.

Article 143.

(repealed).

Article 144.

1. In the case referred to in Article 138.3, in connection with the occurrence of the circumstances indicated in Article 142.1, in order to improve the bank's situation or ensure the effectiveness of the recovery plan being implemented, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may, subject to Article 5.6 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring, issue a decision on appointing a supervisor for that bank.

1a. In the case referred to in paragraph 1, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall determine the detailed scope of tasks of the supervisor in the decision.

2. A remedial programme implementation supervisor has the right to participate in the meetings of the bank's governing bodies and to obtain such information as may be necessary to perform the assigned functions.

3. A remedial programme implementation supervisor has the right to raise objections against the resolutions and decisions adopted by the bank's management board and supervisory board. Where a declaration of the intended objection is made at a meeting of the bank's supervisory or management board, the execution of a resolution or decision is postponed.

3a. The objection referred to in par. 3 is filed by the remedial programme implementation supervisor with a commercial court of appropriate jurisdiction within 14 days from the date of the respective resolution or decision having been adopted by the bank's management or supervisory board.

3b. If the objection is not filed with a court within the time limit specified in par. 3a, or if the

supervisor declares that no objection will be filed, the resolution or decision referred to in par. 3 may be executed.

4. The trustee may challenge a resolution of the general meeting of shareholders or a resolution of the general meeting of a cooperative bank, which infringe the bank's interest, in accordance with, respectively, Article 422 § 1 of the Commercial Companies Code or Article 42 § 3 of the Act - Cooperative Law.

4a. With the consent of *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority], the supervisor may convene an extraordinary general meeting.

4b. The costs of convening and holding the general meeting shall be borne by the bank.

4c. The total duration of adjournments in a general meeting shall not exceed 14 days.

5. The bank may appeal against the decision to appoint a remedial programme implementation supervisor to an administrative court within 7 days from the date of that decision having been served. Execution of the decision shall not be postponed by that appeal. The provisions of Article 127 § 3 of the Code of Administrative Procedure do not apply.

6. The function of a supervisor shall be held by a person having qualifications and experience in the area of the organisation and principles of operation of a bank, as well as guaranteeing that the interests of the bank for which the supervisor is to be appointed will be protected. A legal person may also become a supervisor.

7. The supervisor shall submit to *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] quarterly reports from the supervisor's activities, containing an assessment of the financial situation of the bank or of the implementation of the recovery plan by the management board of the bank.

8. The supervisor's remuneration is determined by the Polish Financial Supervision Authority, subject to the provision that it cannot exceed the remuneration of the president of the bank in which the supervisor was appointed. Expenses connected with the performance of the supervisor's functions will be charged to the bank's operating expenses.

8a. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall publicly disclose the information on the appointment of a supervisor by publishing this information in *Biuletyn Informacji Publicznej* [the Public Information Bulletin] on its website.

8b. Where a supervisor has been appointed for reasons other than those specified in Article 144.1, the supervisor shall be appointed for a period not longer than one year. This period may be extended if the conditions for the appointment of the supervisor have not ceased to exist. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall communicate the decision to the shareholders of the bank.

9. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may dismiss a supervisor in the case of the supervisor's resignation or improper performance of the functions.

10. A natural person acting as a trustee shall be entitled to 26 working days of holiday leave pursuant to the principles specified in the Act of 26 June 1974 - the Labour Code (Journal of Laws of 2020, item 1320) at times agreed upon with the Polish Financial Supervision Authority.

11. The period of acting as a trustee by a natural person shall be included in the period of employment determining eligibility for employment rights. Social security and health insurance regulations shall apply to such persons unless they have been otherwise covered by social security and health insurance.

Article 145.

1. Where, as a result of the occurrence of the circumstances indicated in Article 142.2, the implementation of the measures referred to in Article 138.3 has not contributed to improving the bank's situation, or in order to ensure the effectiveness of the recovery plan being implemented, or where the implementation of that plan turns out to be ineffective, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may issue a decision on the imposition of forced administration. The imposition of forced administration shall not affect the organisation and manner of operation of the bank as a legal person, except for changes provided for by the statute.

1a. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may stipulate that the performance of certain actions by forced administration be subject to its consent.

2. The forced administration shall assume the power to pass resolutions and take decisions in all matters reserved for the competent authorities and bodies of the bank in accordance with the statute and the bank's articles of association, subject to paragraph 1a. On the date on which forced administration is established, the supervisory board shall, subject to paragraph 4, be suspended, the members of the management board shall be dismissed by virtue of law, and any previously-established powers of attorney and commercial powers of attorney shall expire. During the period of forced administration, the competences of other bank bodies shall be suspended.

2a. Administrators may close the bank's books of account and prepare the bank's financial statements as at the accounting reference date specified by the Polish Financial Supervision Authority, and may adopt a resolution to cover the loss recorded for the period ending on that date and losses brought forward from previous years.

3. (repealed).

4. The bank's supervisory board may appeal against the decision referred to in par. 1 to an administrative court within 7 days from the date of that decision having been served.

Execution of the decision shall not be postponed by that appeal. The provisions of Article 127 § 3 of the Code of Administrative Procedure do not apply.

5. The forced administration shall develop the recovery plan defined in Article 141m, control its implementation and, not less frequently than every 3 months, inform *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] about the status of implementation of that plan.

6. Placing a bank under administration should be reported in the register in which that bank is entered.

7. The provisions of Articles 144.8a and 144.9 shall apply accordingly.

Article 146.

1. Where necessary, a member of the receivership shall be granted unpaid leave for the duration of their duties upon request submitted in accordance with Article 174 § 1 of 26 June 1974 - Labour Code.
2. The period of unpaid leave referred to in paragraph 1 shall be included in the period of employment determining eligibility for employment rights.
3. The remuneration of administrators is determined by the Polish Financial Supervision Authority, subject to the provision that it cannot exceed the remuneration of members of the former management board. Costs of the bank's administration are borne by the bank.

Article 146a.

1. Before taking the decision referred to in Article 142.3, Article 144.1, or Article 145.1 in respect of a bank being the parent undertaking in a holding company, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall inform the European Banking Authority about the planned decision and shall request opinions on the planned decision from the competent supervisory authorities exercising supervision over entities operating within the same holding company. In proceedings in the cases referred to in Articles 141v.1 and 5, Articles 142.3, 142a.1, 144.1, 145.1, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may derogate from Article 10 § 1 of the Code of Administrative Procedure, also in cases where the application of that provision might prevent or seriously hinder the achievement of the objectives of early intervention. A statement of reasons for the decision may be served within 14 days of the date of service of the decision. Where the statement of reasons is served after the service of the decision, the time limit for the submission of an application for reconsidering the case shall run from the date of service of the statement of reasons for the decision.
2. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may issue the decision referred to in Article 142.3, Article 144.1, or Article 145.1 within 3 days from the date of service of the request referred to in paragraph 1 to the competent supervisory authorities.
3. Issuing the decision referred to in Article 142.3, Article 144.1, or Article 145.1, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall take into account opinions of the competent supervisory authorities, received within the time limit set in paragraph 2.
4. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall transfer the decision referred to in Article 142.3, Article 144.1, or Article 145.1 to the competent supervisory authorities and the European Banking Authority.
5. Before taking the decision referred to in Article 142.3, Article 144.1, or Article 145.1 in respect of a bank being a subsidiary in a holding company, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall inform the European Banking Authority about the planned decision and shall request an opinion on the planned decision from the competent supervisory authority exercising supervision on a consolidated basis over the parent undertaking of that holding company. The provisions of paragraphs 2 to 4 shall apply accordingly.
6. Where the competent supervisory authority exercising supervision over a subsidiary

operating within a holding company referred to in Article 141f.1 (2) to (5) or where the competent supervisory authority exercising supervision on a consolidated basis over a parent undertaking operating within a holding company referred to in Article 141f.1 (2) to (5) (the requesting entity), before issuing a decision concerning the implementation of a measure similar to that defined in Article 142.3, Article 144.1, or Article 145.1, requests an opinion on the planned decision from *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority]; *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall provide an opinion about the potential effect of the planned decision on financial market operators in Poland within 3 days from the date of receipt of a request for such an opinion.

7. If *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] receives the application referred to in paragraph 6, *Komisja Nadzoru Finansowego* shall examine the grounds for applying the measures referred to in Article 142.3, Article 144.1, or Article 145.1 to entities over which it exercises supervision within the holding company which that application concerns. If *Komisja Nadzoru Finansowego* deems taking such measures necessary, it shall immediately, however, not later than within 3 days from the date of receipt of that application, notify the requesting entity of that fact and enter into consultation with the requesting entity in order to reach an agreement on the coordination of early intervention measures.

8. The provision of paragraph 7 shall apply accordingly where in response to the notifications referred to in paragraph 1 or 5, the requesting entity indicates the need to take early intervention measures within the same holding company which the application concerned.

9. Should no agreement be reached in the consultations referred to in paragraphs 7 and 8, 5 days after the application referred to in paragraphs 1, 5, and 6 has been submitted, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may issue the decisions referred to in Article 142.3, Article 144.1, or Article 145.1 in respect of the entity over which it exercises supervision, from the holding company which the consultations concerned.

10. In the cases referred to in paragraphs 7 and 8, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may submit to the European Banking Authority an application for taking the actions referred to in Article 31 (c) of Regulation No 1093/2010.

11. Where *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] deems the decision of the requesting entity referred to in paragraph 6 to be unfounded or where it is impossible to reach an agreement on the coordination of early intervention measures, *Komisja Nadzoru Finansowego* may, before the expiry of the time limit set in paragraph 9, refer the case to the European Banking Authority in order to be provided with assistance in reaching an agreement. In such a case, *Komisja Nadzoru Finansowego* shall refrain from taking the decisions referred to in paragraph 9.

12. The guidelines of the European Banking Authority issued in connection with a case being referred to it pursuant to paragraph 11 shall be binding for *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority].

AB.

Bank acquisition

Article 146b.

1. In the event of a decrease of the bank's aggregate own funds below the level specified in Article 128.1 or in the event there is a risk that this amount will be below the level specified in Article 128.1, the Polish Financial Supervision Authority may decide to have the bank taken over by another bank with consent of the acquiring bank, on condition that it does not jeopardise the assets deposited in the accounts of the acquiring bank, decrease the own funds of the acquiring bank below the level specified in Article 128.1 and as long as it does not give rise to such threat as well as does not constitute a threat to the fulfilment of the requirement referred to in Article 55.4 of the Macprudential Supervision Act by the acquiring bank. The decision may refer to the terms and conditions as well as the dates of assumption of the bank by another bank.
2. Should it be necessary from the viewpoint of the situation of the acquired bank, the Polish Financial Supervision Authority may grant a permission to the takeover despite the acquiring bank's timely failure to comply with the requirement referred to in Article 55.4 of the Macprudential Supervision Act.
3. In relation to a co-operative bank, the Polish Financial Supervision Authority may also issue the decision referred to in paragraph 1 if the co-operative bank does not meet the affiliation obligation as set forth in Article 16 of the Act on the Functioning of Co-operative Banks, their Affiliation, and Affiliating Banks.
4. The Polish Financial Supervision Authority shall notify the Bank Guarantee Fund about the initiation of the proceedings regarding the decision referred to in paragraph 1.
5. The provision of Article 147.3 shall apply accordingly to the decision referred to in paragraph 1.

Article 146c.

1. As of the date indicated in the decision referred to in Article 146b.1:
 - 1) the management board or forced administration of the acquired bank shall be terminated, and the competences of other bodies of the bank, subject to Article 147.3, shall be suspended;
 - 2) the acquiring bank shall take over management over the estate of the acquired bank;
 - 3) the proxies and powers of attorneys granted by the acquired bank shall expire.
2. The acquiring bank shall announce twice in a national journal, *Monitor Sądowy i Gospodarczy* [the Court and Economic Gazette], and on its website the decision on takeover of the bank and call upon the creditors of said bank to report their claims within one month from the date of the last announcement. This obligation shall not concern bank account creditors. In terms of co-operative banks, it is sufficient to issue an announcement in a local journal, *Monitor Spółdzielczy* [the Co-Operative Gazette], and on the website of the acquiring bank.

Article 146d.

1. As of the date of acquisition, the acquiring bank shall be vested with any and all rights and

obligations of the acquired bank.

2. The acquiring bank shall draw up financial statements of the acquired bank as at the date preceding the date of acquisition.

3. The financial statements referred to in paragraph 2 shall be examined by a statutory auditor.

4. The acquiring bank shall report the fact of bank takeover to the competent court register together with a request for deletion of the acquired bank from the register and the financial statements of the acquired bank examined by the statutory auditor.

Article 146e.

The own funds of the acquired bank shall be allocated to cover the balance sheet losses of that bank.

Article 146f.

1. After satisfying or securing the creditors of the acquired bank, the acquiring bank transfers payments to the shareholders of the acquired bank using the remaining estate in proportion to the amount of the previous capital, and in the case of a co-operative bank it terminates the membership of the members of the acquired bank, which results in granting the right to pay the members of the acquired bank their respective share values in proportion to the amount of the equity of the acquired bank as at the date of acquisition or it issues own shares to the shareholders of that bank. The acquiring bank shall transfer the payment within 6 months from the date of registration of the acquisition in the relevant court register.

2. Own shares shall be issued at the issue price of no more than the carrying amount of shares. The value of the right to the equity shall be calculated on the basis of the most recent approved balance sheet of the acquiring bank.

3. If the bank's acquisition gives rise to a damage whose remedy is sought on general terms, the injured party may not demand for the damage to be remedied by way of payment of an amount that would be higher than the difference between the amount that would have been received had the court issued a decision on the declaration of bankruptcy of the bank and the amount received as a result of satisfaction of the liabilities or the value of stock or shares calculated in accordance with paragraph 1. The calculation of the difference in the amounts referred to in the preceding sentence shall be made on the assumption that on the date of acquisition specified in the decision referred to in Article 146b.1 the court issued a decision on the declaration of bankruptcy of the bank.

Article 146g.

The acquiring bank may demand changes in the merit of the liability incurred through a legal action of the acquired bank during the year before acquisition if this action resulted in the other party obtaining a benefit on better terms than those which used to be applied by the acquired bank. Action shall be examined by a regional court of law for economic affairs having local jurisdiction.

B.
Bank liquidation

Article 147.

1. Where after 6 months from the date of an extraordinary general meeting convened pursuant to Article 142a.1 the loss exceeds half of the bank's own funds, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may issue a decision on:

- 1) withdrawing the licence to establish a bank and liquidating the bank;
- 2) filing an application for the liquidation of the bank with the Council of Ministers - in the case of a state-owned bank.

2. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may also issue a decision on the liquidation of a bank at a time other than that specified in paragraph 1 in circumstances that could result in the bank's insolvency or a reduction in the bank's own funds to such a degree that the bank could no longer fulfil the requirements applicable to the establishment of a bank.

3. The bank's supervisory board may appeal against the decision referred to in par. 1 and 2 to an administrative court within 7 days from the date of that decision having been served. Execution of the decision shall not be postponed by that appeal; however, neither the realisation of the bank's assets nor the take-over of such assets by the acquirer is possible before that appeal is considered. The provisions of Article 127 § 3 of the Code of Administrative Procedure do not apply.

Article 148.

(repealed).

Article 149.

(repealed).

Article 150.

(repealed).

Article 151.

(repealed).

Article 152.

(repealed).

Article 153.

1. Administration of assets of the bank to be wound up are assumed by a liquidator appointed by the Polish Financial Supervision Authority, who will also assume the powers reserved to the bank's authorities under this Act and the bank's articles of association (statute). A

liquidator represents the bank in and out of court.

2. As of the date when administration of the bank's assets is assumed by a liquidator:

- 1) the bank's management board is dissolved and the mandates of its members expire by operation of law;
- 2) the competencies of the bank's supervisory board, subject to the provisions of Article 147.3, are suspended.

Article 154.

The winding-up proceedings are carried out in accordance with the principles applying to the winding-up of commercial companies and co-operatives, or in accordance with the provisions referred to in Article 14, subject to the following reservations:

- 1) no dividend or interest on shares (participating interests) will be paid during the winding-up proceedings;
- 2) the opening balance, programme of the winding-up proceedings, and report drawn up after completion of the winding-up proceedings are subject to an approval by the Polish Financial Supervision Authority;
- 3) a liquidator will report to the Polish Financial Supervision Authority and the creditors on the progress of the winding-up proceedings, at least once a month;
- 4) assets remaining after the claims of creditors have been satisfied or secured cannot be distributed among shareholders (members) earlier than after one year from the last announcement of the opening of the winding-up proceedings.

Article 155.

1. A liquidator has the right to demand a change of the terms of the commitment referred to in Article 146g. A liquidator may also set off debts from a bank account against the claims of the bank, also before their payment dates.

2. After completion of the winding-up proceedings, a liquidator will draw up a winding-up report, to be submitted the Polish Financial Supervision Authority and to the registry court, together with an application to remove the bank from the register.

Article 156.

The specific terms and procedures for the take-over or winding up of a bank, and appointment of a liquidator, are determined in the decision referred to in Article 147.1.

Article 156a.

1. A general meeting may take a decision on a voluntary winding up of the bank for reasons other than those referred to in Article 147. Before opening a voluntary winding-up procedure, the bank will inform the Polish Financial Supervision Authority of that decision and present a voluntary winding-up programme for approval. The provision of Article 154 (3) applies accordingly.

2. The voluntary winding up of a bank shall not preclude the adoption of the measures referred to in Articles 142-145, 147, and 157 by the Polish Financial Supervision Authority.

Article 157.

The Polish Financial Supervision Authority may decide to recall a liquidator appointed by the bank if the winding-up proceedings carried out by that liquidator pose a threat to the safety of funds deposited in bank accounts. In such a case, the Polish Financial Supervision Authority will appoint a new liquidator.

Article 157a.

Where the measures referred to in Articles 142-145, 147, and 157 are taken in respect of a branch office of a domestic bank operating in another Member State through that branch office, the Polish Financial Supervision Authority will notify the competent supervisory authorities of the host Member State.

Article 157b.

Where the measures referred to in Articles 142-145, 147, and 157 are taken in respect of a branch office of a foreign bank, the Polish Financial Supervision Authority will notify the competent supervisory authorities of the host Member State in which another branch office of that bank is located.

Article 157c.

1. Where the competent supervisory authorities of a Member State take measures aimed at the winding up of a credit institution operating in the Republic of Poland, the Polish Financial Supervision Authority will recognise the measures taken by such authorities, subject to the condition of reciprocity.
2. The provision of par. 1 shall not preclude other rights of the Polish Financial Supervision Authority in respect of a branch office of a credit institution in the cases referred to in Article 141a. The provision of Article 141a.3a applies accordingly.

Article 157d.

1. A liquidator or another person appointed by the competent supervisory authorities of a Member State to carry out the winding up of a credit institution, who intends to take measures in respect of a branch office of that credit institution in the Republic of Poland, shall present a certified copy of a ruling or a decision on the establishment of that branch office, together with a certified translation into the Polish language.
2. The persons referred to in par. 1 may act only within the scope specified in the respective document under which they were appointed. Where such a document contains no specific provisions to that effect, the Polish Financial Supervision Authority defines, by decision taken on a case-by-case basis, the scope of activities to be performed by such a person in the Republic of Poland. In each case, such a person is under the obligation to report the opening of the winding-up proceedings and its effects in the appropriate registers maintained for branch offices of credit institutions.

Article 157e.

The effects of reorganisation measures taken in respect of a branch office of a credit institution, or the effects of the winding-up proceedings, are determined in accordance with the regulations in force in a home Member State, subject to the condition of reciprocity, with the following reservations:

- 1) employment contracts and employment relationships are governed by the law of the Member State applicable to the employment contract;
- 2) contracts conferring the right to acquire or use immovable property are governed by the law of the Member State within the territory of which the immovable property is situated; that law shall also determine whether the property is movable or immovable;
- 3) rights in respect of immovable property, a ship or an aircraft, are governed by the law of the Member State in which the appropriate register is kept.

Article 157f.

1. If a bank is threatened with bankruptcy, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall immediately notify *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund] of that fact, indicating the grounds for such an assessment.
2. A bank shall be deemed to be threatened with bankruptcy where it meets at least one of the conditions referred to in Article 101.3 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Debt Restructuring.
3. The bank's management board, the forced administration, or the liquidator shall immediately notify *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] of the conditions referred to in paragraph 1 having been met.
4. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall immediately transfer to *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund] information received from supervisory authorities of other countries concerning the danger of bankruptcy of other entities being part of the group of which the bank is part.

C.

Bankruptcy of banks

Article 158.

1. If, according to the balance sheet drawn up as at the end of the reporting period, the bank's assets are not sufficient to satisfy the bank's obligations, the management board of the bank, forced administration or liquidator shall immediately notify the Polish Financial Supervision Authority of this fact, which shall issue a decision on the suspension of the bank's operations and the designation of forced administration, unless it has already been designated, and at the same time shall take a decision on its acquisition by another bank, with the consent of the acquiring bank, or shall file an application for bankruptcy with the competent court of law.
2. If the bank, for reasons directly related to the financial condition of the bank, does not meet its liabilities as regards the payment of funds referred to in Article 2.68 of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Restructuring, with regard to depositors within the meaning of Article 2 (3) of that Act, the

Polish Financial Supervision Authority shall, within 5 business days from the date of identification of these circumstances, issue a decision on the suspension of the bank's operations and the designation of forced administration, unless it has already been designated, and at the same time shall take a decision on its acquisition by another bank, with the consent of the acquiring bank, or shall file an application for bankruptcy with the competent court of law.

3. *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] shall not take the decisions referred to in paragraph 1 or 2 if *Bankowy Fundusz Gwarancyjny* [the Bank Guarantee Fund] has issued a decision on the initiation of a compulsory debt restructuring procedure.

3a. In the case of a co-operative bank, the notification referred to in paragraph 1 may also be submitted by the affiliating bank which has concluded an affiliation agreement with the affiliated bank, or the unit managing the protection scheme of which said co-operative bank is a member.

3b. By making decisions on bank's acquisition by another bank as referred to in paragraphs 1 and 2, the Polish Financial Supervision Authority - if the value of the acquired property rights is lower than the value of the acquired bank's liabilities - shall take into account a declaration on providing support in the forms referred to in Article 268a.2 (3) and (4) of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Restructuring.

4. In the absence of the notification referred to in paragraph 1, *Komisja Nadzoru Finansowego* [the Polish Financial Supervision Authority] may also issue the decisions referred to in paragraph 1 *ex officio*.

5. Decisions on the suspension of the bank's operations and the designation of forced administration as well as on bank's acquisition by another bank as referred to in paragraphs 1 and 2 shall be notified to the public by way of announcement in a national journal and *Monitor Sądowy i Gospodarczy* [the Court and Economic Gazette]. The Polish Financial Supervision Authority shall notify the Bank Guarantee Fund about its decisions.

6. The decisions referred to in par. 1 and 2 are not appealable.

7. Pursuant to the provisions of Article 146.3, the Polish Financial Supervision Authority determines the amount of remuneration of the bank's administrators. The provision of Article 146.3 applies accordingly to the expenses related to the bank's administration.

8. The provisions of paragraph 1 to 3, 4 and 5 shall apply accordingly to the branch of a foreign bank which joined the Polish guarantee scheme, however:

- 1) the notification referred to in par. 1 is filed by a director of the branch office;
- 2) the decision on the take-over of that branch office by another bank upon consent of the acquirer will not be taken.

9. The provisions of Articles 146c to 146f shall apply accordingly.

Article 158a.

1. If the Bank Guarantee Fund provides support referred to in Article 268a of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory

Restructuring, capital instruments and subordinated loans of the acquired bank referred to in Article 127.1 shall be redeemed to the amount of losses of the acquired bank as at the date of preparation of the financial statements referred to in Article 146d.2 and not covered so far through own funds.

2. The redemption referred to in paragraph 1 shall take place in the scope necessary to ensure that the support provision conditions are compliant with the state aid rules in force in the European Union.
3. The redemption referred to in paragraph 1 shall take place on the date of acquisition.
4. The redemption referred to in paragraph 1 shall take place in the opposite order of satisfaction of the amounts due referred to in Article 440.2 of the Act of 28 February 2003 - Bankruptcy Law (Journal of Laws of 2020, item 1228).
5. The redemption referred to in paragraph 1 shall apply to liabilities on account of capital and interest due.
6. If it is not necessary to entirely redeem the capital instruments or subordinated loans, they shall be redeemed proportionally to the extent necessary to ensure that the support provision conditions are compliant with the state aid rules in force in the European Union.
7. If capital instruments or subordinated loans are subject to partial redemption, the contractual terms and conditions in the remaining scope shall not change, excluding the basis for charging interest due to the capital instrument or subordinated loan.
8. In the event of bank acquisition pursuant to Article 158.1 and 158.2 and the provision of support referred to in Article 268a of the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Compulsory Restructuring, the value and scope of the redemption referred to in paragraph 1 shall be indicated in the financial statements drawn up as at the date preceding the date of acquisition.
9. The acquiring bank shall publish on its website and the website of the acquired bank information on the redemption referred to in paragraph 1.

Article 159.

1. While its operations are suspended, a bank cannot:
 - 1) settle its liabilities, with the exception of justified current operating expenses, and pursue any banking activities other than the collection of receivables and execution of transfer orders to the accounts of tax authorities in relation to the receivables referred to in Article 55.1 of the Payment Services Act of 19 August 2011;
 - 2) make any payments from the surplus or from interest on deposits.
2. In the period of suspension, no enforcement proceedings may be initiated against the bank, and any enforcement initiated earlier will be suspended. Enforcement from bank accounts operated by that bank will also be suspended.
3. The terms and scope of the bank's activities in the period of suspension are defined in the decisions referred to in Article 158.1 and 158.2.

Article 160.

(repealed).

Article 161.

(repealed).

Article 162.

(repealed).

Article 163.

(repealed).

Article 164.

(repealed).

Article 165.

(repealed).

Article 166.

(repealed).

Article 167.

(repealed).

Article 168.

(repealed).

Article 169.

The liquidation of a bank pursuant to Article 138 and Article 147, the bankruptcy of a bank, or the establishment of forced administration shall result in the revocation of the rights of the members of the bank's management board and supervisory board concerning severance pay and remuneration paid for a specified period following the termination of employment.

Chapter 13

Civil and Criminal Liability

Article 170.

1. Where banking operations are performed without licence, no interest, commission fees and charges, or any other consideration may be charged.
2. Any person who has received interest, commission fees and charges, or any other fees for the performance of the operations referred to in par. 1, is under the obligation to return them.

Article 171.

1. Whoever carries out, without authorisation, a business consisting in pooling of funds of other natural or legal persons, or organisations without legal personality in order to extend credits or loans, or expose such funds to risk in another way, shall be liable to a fine of up to PLN 10,000,000 and to imprisonment of up to 5 years.
2. Any person who, while conducting paid activities contrary to the provisions of this Act, uses the words *bank* or *kasa* in the name of an organisational unit other than a bank, or to describe or advertise its activities, is liable to the same penalty.
3. Any person who performs the activities referred to in par. 1 or 2, acting on behalf of or in the interest of a legal person or an unincorporated organisational unit, is also liable to the same penalty.
4. Any person who is under the obligation to disclose information concerning a bank or a bank's clients to the competent authorities, to the extent provided for in this Act, and provides false information or decides not to disclose true information, is liable to a fine and imprisonment up to 3 years.
5. Any person who is bound by the obligation of bank secrecy and discloses or uses bank secrets against the approval provided for in this Act, is liable to a fine up to PLN 1,000,000 and imprisonment up to 3 years.
6. Any person who is responsible for ensuring the proper functioning of the system of internal control of data and information required for the purposes of supervision on a consolidated basis, or for providing the information and explanations at the request of the Polish Financial Supervision Authority, and does not fulfil such obligations or performs them in a manner that is not appropriate or timely, is liable to a fine up to PLN 1,000,000 or imprisonment up to 3 years.
7. Any person who is responsible for preparing consolidated financial statements or any other reports connected with the supervision on a consolidated basis, and for presenting them to the Polish Financial Supervision Authority, and does not fulfil such obligations or performs them in a manner that is not appropriate or timely, is liable to a fine up to PLN 500,000 or imprisonment up to 2 years.
8. Whoever being responsible for submitting to an institution created pursuant to Article 105.4 information about the complete fulfilment of liability or its expiry, declaration of non-existence of liability, or adjustment of its amount, as well as about newly created liabilities within 7 days as of the day of the occurrence of the event justifying such a disclosure fails to do so shall be liable to a fine of up to PLN 30,000.

Chapter 13a

Own Funds Ratios for Banks

Article 171a.

1. The percentages referred to in Article 467.2 of Regulation No. 575/2013 shall be 100% for banks.
2. The percentages referred to in Article 468.2 of Regulation No. 575/2013 shall be, for banks:

- 1) 60% - until 31 December 2015;
 - 2) 40% - from 1 January 2016 to 31 December 2016;
 - 3) 20% - from 1 January 2017 to 31 December 2017.
3. Subject to paragraph 4, for the purposes of application of Articles 468.4, 469.1 (a) and (c), 474 (a) and 476 (a) of Regulation No. 575/2013, the percentages referred to in Article 478.1 of the Regulation shall be, for banks:
- 1) 40% - until 31 December 2015;
 - 2) 60% - from 1 January 2016 to 31 December 2016;
 - 3) 80% - from 1 January 2017 to 31 December 2017.
4. For the purposes of application of Articles 469.1 (a) and 474 (a) of Regulation No. 575/2013, the percentages referred to in Article 478.1 of the Regulation shall be 100% for banks for the items referred to in Article 36.1 (g) and Article 56 (b) and (e) of the Regulation.
5. For the purposes of application of Article 469.1 (c) of Regulation No. 575/2013, the percentages referred to in Article 478.2 of the Regulation shall be, for banks:
- 1) 10% - until 31 December 2015;
 - 2) 20% - from 1 January 2016 to 31 December 2016;
 - 3) 30% - from 1 January 2017 to 31 December 2017;
 - 4) 40% - from 1 January 2018 to 31 December 2018;
 - 5) 50% - from 1 January 2019 to 31 December 2019;
 - 6) 60% - from 1 January 2020 to 31 December 2020;
 - 7) 70% - from 1 January 2021 to 31 December 2021;
 - 8) 80% - from 1 January 2022 to 31 December 2022;
 - 9) 90% - from 1 January 2023 to 31 December 2023.
6. The percentages referred to in Article 479.3 of Regulation No. 575/2013 shall be, for banks:
- 1) 60% - until 31 December 2015;
 - 2) 40% - from 1 January 2016 to 31 December 2016;
 - 3) 20% - from 1 January 2017 to 31 December 2017.
7. The factor referred to in Article 480.2 of Regulation No. 575/2013 shall be 1 for banks.
8. The percentages referred to in Article 481.3 of Regulation No. 575/2013 shall be, for banks:
- 1) 60% - until 31 December 2015;
 - 2) 40% - from 1 January 2016 to 31 December 2016;
 - 3) 20% - from 1 January 2017 to 31 December 2017.
9. The percentages referred to in Article 486.5 of Regulation No. 575/2013 shall be, for banks:
- 1) 70% - until 31 December 2015;
 - 2) 60% - from 1 January 2016 to 31 December 2016;
 - 3) 50% - from 1 January 2017 to 31 December 2017;
 - 4) 40% - from 1 January 2018 to 31 December 2018;
 - 5) 30% - from 1 January 2019 to 31 December 2019;

- 6) 20% - from 1 January 2020 to 31 December 2020;
- 7) 10% - from 1 January 2021 to 31 December 2021.

Chapter 14

Transitional Provisions, Amendments to Regulations Currently in Force, and Final Provisions

Article 172.

1. Banks that do not satisfy the requirements relating to the amount of own funds, as provided for in this Act, on the date of this Act coming into force, are under the obligation to:
 - 1) by 31 December 1998 - achieve the solvency ratio referred to in Article 128 and increase their own funds to the level required to establish a bank;
 - 2) within 3 months from this Act coming into force - develop a programme for achieving the solvency ratio referred to in subparagraph (1), and present it to the Commission for Banking Supervision.
2. In justified cases, the Commission for Banking Supervision will extend the time limit referred to in par. 1 (1), but no more than until 31 December 1999.
3. A co-operative bank that has affiliated with an affiliating bank is under the obligation to increase its own funds to a level not lower than:
 - 1) the PLN equivalent of EUR 300,000 - by 31 December 2001, calculated at the average exchange rate presented in the foreign exchange rate table announced by the National Bank of Poland as at the end of the year preceding the year in which the required capital threshold is achieved;
 - 2) the PLN equivalent of EUR 500,000 - by 31 December 2005, calculated at the average exchange rate presented in the foreign exchange rate table announced by the National Bank of Poland as at the end of the year preceding the year in which the required capital threshold is achieved;
 - 3) the PLN equivalent of EUR 1,000,000 - by 31 December 2010, calculated at the average exchange rate presented in the foreign exchange rate table announced by the National Bank of Poland as at the end of the year preceding the year in which the required capital threshold is achieved.

Article 173.

1. Banks that do not satisfy the requirements relating to the amount of initial capital, on the date of this Act coming into force, are under the obligation to increase their initial capital to the amount referred to in Article 32.1 by 31 December 1999.
2. The provision of par. 1 does not apply to co-operative banks.

Article 174.

1. The risk fund referred to in Article 96 of the Act listed in Article 193 will be released on the first day of the financial (fiscal) year beginning on 1 January 1998, subject to the

reservation that the amounts equal to the allocations to that fund, less corporate income tax calculated in accordance with the provisions of par. 3, will be transferred to the bank's reserves, and the amount of tax will be transferred to the bank's liabilities towards the state budget.

2. The amount of allocations to the risk fund referred to in par. 1:

1) established from the bank's profit - is not subject to corporate income tax;

2) charged to expenses:

a) is not subject to tax in the portion equal to 50% of that amount, and

b) is subject to tax in the portion equal to 50% of that amount, subject to the provision that the tax is payable starting in the fiscal year beginning in 1998, in the period of 3 fiscal years, in equal monthly instalments in each year.

3. The amounts referred to in par. 2 (2) (b) cannot be combined with revenues from other sources, and the tax is determined by multiplying that amount and the tax rate of 40%.

4. Corporate income tax referred to in par. 2 will be paid on the dates when that tax is withheld in accordance with separate regulations.

Article 175.

The provisions of Chapter 2 also apply to the proceedings that were not closed with a licence to establish a bank, or a branch office of a foreign bank, or a branch office of a domestic bank abroad, or a representative office of a foreign bank, granted by the President of the National Bank of Poland before the date of this Act coming into force.

Article 176.

Any resolution, winding-up, and bankruptcy proceedings initiated before the date of this Act coming into force, will be conducted in accordance with the provisions of this Act as of that date.

Article 177.

1. Banks operating on the date of this Act coming into force are considered to be banks within the meaning of this Act and retain their rights and obligations to the extent that they are not contrary to the provisions of this Act.

2. Banks with the participation of foreign capital operating on the date of this Act coming into force become banks with the participation of foreign persons.

3. The share capital of banks established by foreign persons or with the participation of foreign persons, paid up in foreign currencies, will be converted to PLN at the average exchange rate announced by the President of the National Bank of Poland on the date of this Act coming into force.

Article 178.

1. A bank that started its operations before the effective date of the Act referred to in Article 193, and has not obtained a licence from the President of the National Bank of Poland to establish a bank, may perform banking operations specified in the articles of association

(statute) to the extent that they are not contrary to the provisions of this Act.

1a. The bank referred to in par. 1 may perform banking operations specified in the articles of association (statute), in a host Member State, to the extent that they are not contrary to the provisions of this Act.

2. With respect to the bank referred to in par 1, a decision to prohibit all or some of its banking operations is issued instead of withdrawing the licence to establish a bank referred to in Article 138.3 (4) and 138.6.

Article 179.

Limitations on the acquisition of shares or participating interests and contributions to the capital of another legal person, provided for in this Act, including the acquisition of shares by banks and exchanging claims for the assets of debtors, do not apply in the course of the proceedings referred to in the Act on the financial reorganisation of enterprises and banks and on the amendment of certain other acts of 3 February 1993 (Journal of Laws of 2018, item 1439).

Article 180.

Banks that do not comply with the limits referred to in Article 6.1 (1) and 6.3, and in Article 71, on the date of this Act coming into force, are under the obligation to ensure compliance with such limits by 31 December 1999.

Article 181.

Any agreements concluded by banks, including bank guarantees and sureties granted before the date of this Act coming into force, are governed by the regulations previously in force, subject to the provisions of Article 146g.

Article 182.

1. Until the implementing provisions referred to in this Act are adopted, but not later than within 6 months, the previous implementing provisions will remain effective unless they are contrary to the provisions of this Act.

2. Within 6 months from the date of this Act coming into force, the President of the National Bank of Poland will announce in the Official Journal of the National Bank of Poland a list of the implementing provisions previously in force.

Article 183.

1. Bearer certificates issued under the agreements on savings deposits, concluded before the date of this Act coming into force, shall remain valid until the expiry of such agreements, unless the parties thereto agree earlier to convert them to the savings account agreements referred to in Article 50.2.

2. The agreements under which bearer certificates were issued before 1 January 1998, and that have not been converted as provided for in par. 1, will expire as of 1 January 2006, subject to the provision that the funds receivable under such agreements will be returned to the bearers of such certificates with interest accrued, as of 1 January 2006, at the interest rate

on cash deposited in savings accounts operated by the bank under indefinite-term agreements.

Article 184.

(repealed).

Article 185.

(repealed).

Article 186.

The Act on the acquisition of immovable property by foreigners of 24 March 1920 (Journal of Laws of 1996, No. 54, item 245) shall be amended as follows: (amendments omitted).

Article 187.

The Corporate Income Tax Act of 15 February 1992 (Journal of Laws of 1993, No. 106, item 482, and No. 134, item 646, of 1994, No. 1, item 2, No. 43, item 163, No. 80, item 368, No. 87, item 406, No. 90, item 419, No. 113, item 547, No. 123, item 602, and No. 127, item 627, of 1995, No. 5, item 25, No. 86, item 433, No. 96, item 478, No. 133, item 654, and No. 142, item 704, of 1996, No. 25, item 113, No. 34, item 146, No. 90, item 405, No. 137, item 639, and No. 147, item 686, and of 1997, No. 9, item 44, No. 28, item 153, No. 79, item 484, No. 96, item 592, No. 107, item 685, No. 118, item 754, No. 121, item 770, No. 123, item 776 and 777, No. 137, item 926, and No. 139, item 932-934) shall be amended as follows: (amendments omitted).

Article 188.

The Act on reorganisation of co-operative banks and of Bank Gospodarki Żywnościowej, and on the amendment of certain other acts of 24 June 1994 (Journal of Laws No. 80, item 369, of 1995, No. 142, item 704, of 1996, No. 106, item 496 and of 1997, No. 121, item 770) shall be amended as follows: (amendments omitted).

Article 189.

The Act on tax liabilities of 19 December 1980 (Journal of Laws of 1993, No. 108, item 486, and No. 134, item 646, of 1995, No. 5, item 25 and No. 85, item 462, of 1996, No. 75, item 357, and of 1997, No. 121, item 770) shall be amended as follows: (amendments omitted).

Article 190.

The Accounting Act of 29 September 1994 (Journal of Laws No. 121, item 591, and of 1997, No. 32, item 183, No. 43, item 272, No. 88, item 554, No. 118, item 754, and No. 139, item 933 and 934), in Article 81 shall be amended as follows: (amendments omitted).

Article 191.

The Act on certain forms of support for residential housing, and on the amendment of certain other acts of 26 October 1995 (Journal of Laws No. 133, item 654, of 1996, No. 106, item 496, and No. 156, item 775, and of 1997, No. 80, item 507, No. 103, item 651, and No. 115,

item 741) shall be amended as follows: (amendments omitted).

Article 192.

In the Act on the mergers and groups of certain banks in the form of a joint-stock company of 14 June 1996 (Journal of Laws No. 90, item 406, and No. 156, item 775, and of 1997, No. 121, item 770), in Article 10.4: (amendments omitted).

Article 193.

The Banking Law Act of 31 January 1989 (Journal of Laws of 1992, item 359, as amended) shall expire, with the exception of the provisions of Article 121.2 and 121.3.

Article 194.

This Act shall come into force on 1 January 1998.

¹ This Act, to the extent provided for herein, shall implement the following directives of the European Communities: 1) Directive 97/5/EC of the European Parliament and of the Council of 27 January 1997 on cross-border credit transfers (OJ L 43, 14.02.1997); 2) Directive 98/26/EEC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (OJ L 166, 11.06.1998); 3) Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures (OJ L 13, 19.01.2000); 4) Directive 2000/12/EC of the European Parliament and of the Council of 10 March 2000 relating to the taking up and pursuit of the business of credit institutions (OJ L 126, 26.05.2000); 5) Directive 2000/28/EC of the European Parliament and of the Council of 18 September 2000 amending Directive 2000/12/EC relating to the taking up and pursuit of the business of credit institutions (OJ L 275, 27.10.2000); 6) Directive 2000/46/EC of the European Parliament and of the Council of 18 September 2000 on the taking up, pursuit of and prudential supervision of the business of electronic money institutions (OJ L 275, 27.10.2000); 7) Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions (OJ L 125, 05.05.2001). The data concerning the publication of the European Union laws contained herein - as of the date of membership of the Republic of Poland in the European Union - refer to their publication in the Official Journal of the European Union - special edition.