

# SERBIA: CHALLENGES FOR MONETARY POLICY DURING THE TRANSITION PERIOD



DUŠAN V. POPOVIĆ

## Abstract

The National Bank of Serbia, acting as a central bank, was established as an independent and autonomous institution accountable for its work in the National Assembly of the Republic of Serbia. The status, organisation, mandate, and functions of the central bank, as well as its relations with other national and international institutions, are regulated by the Constitution of the Republic of Serbia, the Act on the National Bank of Serbia, and the Statute. The National Bank of Serbia has engaged in long-standing cooperation with the European Central Bank. Over the last 20 years, the two authorities have conducted numerous cooperation projects and (in 2018) signed a memorandum of understanding. Since 2014, the National Bank of Serbia and the European Central Bank have held regular annual bilateral meetings. In addition to capacity-building cooperation agreements, the two authorities signed the Agreement on Cooperation in the area of preventing counterfeiting and detecting counterfeit euro banknotes in Serbia. Based on this agreement, the European Central Bank will deliver the technical specifications of the original euro banknotes and the classification of counterfeits to the Serbian central bank. The main challenge faced by the national authorities in recent years has been the COVID-19 crisis. Both the National Bank of Serbia and the Government undertook measures in response to the COVID-19 pandemic. The central bank's measures consist of monetary policy and a moratorium on debt payments. In addition, the Government of Serbia adopted the Program of Economic Measures to reduce the negative effects caused by the coronavirus pandemic and support the Serbian economy. The programme included tax policy measures, direct assistance to the private sector, measures to preserve liquidity in the private

---

Dušan V. Popović (2024) 'Serbia: Challenges for Monetary Policy During the Transition Period'. In: Zoltán Nagy (ed.) *Economic Governance. The Impact of the European Union on the Regulation of Fiscal and Monetary Policy in Central European Countries*, pp. 789–804. Miskolc–Budapest, Central European Academic Publishing.

[https://doi.org/10.54237/profneta.2024.znecogov\\_34](https://doi.org/10.54237/profneta.2024.znecogov_34)

sector, and other measures. Notably, the COVID-19 crisis was complemented by an energy crisis, which was further highlighted by recent geopolitical developments.

**Keywords:** *monetary policy, Serbia, European integration, central bank, convergence*

---

## 1. Introduction

The monetary policy decisions made by central banks are intentional responses to macroeconomic conditions. The systematic response reflects the preferences of policymakers (e.g. price stability or a high employment rate), which may change over time. Monetary policy affects the economy through financial channels such as interest rates, exchange rates, and financial asset prices. This contrasts with fiscal policy, which relies primarily on changes in taxation and government spending.

During the transition to market economies, the economies of formerly socialist countries, including Serbia, underwent major changes. Regarding monetary policy, central banks changed their monetary policy goals, regimes, and instruments. Although the starting points of the formerly socialist countries were not identical, their central banks focused on low and stable inflation during the transition period. The Serbian economy, which can be characterised as a rather small and open economy, had deep roots in euroization and hyperinflation in the 1990s. Since 2012, however, the central bank and government have turned this situation around; imbalances have been reduced, growth structures have changed, prices and exchange markets have stabilised, and structural reforms have been implemented. In Serbia, the key policy rate is the main instrument of monetary policy in an inflation-targeting regime. Other monetary policy instruments also play supporting roles. These instruments include open market operations, required reserves, lending and deposit facilities (standing facilities), and foreign exchange market interventions. Several specific aspects of Serbian monetary policy should be analysed: the convergence of the Serbian economy with the European Union (EU) and Eurozone, the division of competences within the central bank and between the central bank and other institutions, the cooperation of the Serbian central bank with the European Central Bank (ECB), and crisis management.

---

## 2. Convergence of the Serbian economy

The process of convergence in the EU is usually viewed in light of meeting the Maastricht criteria or the so-called 'nominal convergence' criteria. Nominal convergence refers to the predefined requirements for accessing the European

Monetary Union (EMU), which are related to inflation, long-term interest rates, exchange rates, budget deficits, and public debt. However, the concept of real convergence is equally important, particularly in the aftermath of the financial crisis that European countries faced over the past decade. The concept of real convergence implies a reduction in the difference between national economies in terms of ‘real economic indicators’, such as those related to production and employment.<sup>1</sup> Once adopted, the Maastricht criteria were applied both to ‘old’ EU Member States and the Central and Eastern European countries that joined the EU more recently. Economic theory argues that the Maastricht criteria are too restrictive and perhaps even inappropriate for new member states with considerably less developed economies. New Member States have a greater need for public expenditures to speed up convergence in areas such as infrastructure, institutional building, and the environment.<sup>2</sup> Similar arguments may be made regarding Serbia as a candidate EU country.

Serbia applied for EU membership in December 2009. Based on the recommendations of the European Commission, the European Council granted candidate status to Serbia in March 2012. Membership negotiations began in 2014. After joining the EU, Serbia adopted the euro as legal tender as soon as it fulfilled the relevant Maastricht criteria. Under the general fiscal rules prescribed by the Budget System Act, government sector debt, including liabilities based on restitution, should not exceed 60% of GDP, while the target medium-term fiscal deficit should represent 0.5% of GDP.<sup>3</sup> The general government debt-to-GDP ratio decreased from a peak of over 70% in 2015 to 53% in 2019. However, it increased to 57.8% in 2020 as a result of the high crisis-induced deficit and broadly stabilised at 57.1% in 2021 and 55.10% in 2022.<sup>4</sup> The National Bank of Serbia (NBS) has been implementing a full-fledged inflation targeting regime since 2009, with elements of the regime gradually being introduced into practice since 2006. In December 2008, the NBS Monetary Policy Committee adopted a memorandum on inflation targeting as a monetary strategy, which defines the formal implementation of the inflation targeting regime.<sup>5</sup> The headline inflation target for the period from January 2023 to December 2025 is set at the level of 3%, with a tolerance band of  $\pm 1.5\%$ .<sup>6</sup>

Given the rather vague perspective of Serbia’s accession to the EU and, consequently, to the EMU, both state officials and academics refrain from making

1 Durkalić, Fedajev, Furtula and Stanišić, 2019, p. 699.

2 Mihaljek, 2006, p. 2.

3 Budget System Act, *Official Journal of the Republic of Serbia*, 54/2009, 73/2010, 101/2010, 101/2011, 93/2012, 62/2013, 63/2013, 108/2013, 142/2014, 68/2015, 103/2015, 99/2016, 113/2017, 95/2018, 31/2019, 72/2019, 149/2020, 118/2021, 138/2022 and 118/2021, Art. 27e.

4 For a detailed analysis of the economic situation in Serbia prior to 2015, see: Jovancai Stakić and Stokanović, 2015, pp. 111–122.

5 National Bank of Serbia, 2008.

6 See: *National Bank of Serbia’s Memorandum on Inflation Targets until 2025* [Online]. Available at: [https://www.nbs.rs/export/sites/NBS\\_site/documents-eng/monetarna-politika/memorandum\\_ciljevi\\_do\\_2025\\_eng.pdf](https://www.nbs.rs/export/sites/NBS_site/documents-eng/monetarna-politika/memorandum_ciljevi_do_2025_eng.pdf) (Accessed: 15 November 2023).

predictions about the date of the accession. A simulation using the macroeconomic model undertaken by Neck and Weyerstrass showed that Serbia's accession to the EU and introduction of the euro would bring about a higher real gross domestic product, more employment, and more sustainable public finances. These benefits of joining the Eurozone are primarily due to increased productivity. All the simulations were performed from 2018 to 2040. The baseline simulation assumes that Serbia has not joined the EU. In the second simulation, it is assumed that Serbia joined the EU in 2025 but did not introduce the euro until 2040. Finally, in the third simulation, it was assumed that Serbia would join the Eurozone by 2028. According to the simulation results, the average real GDP growth rates are 3.0%, 3.1 %, and 3.2% in the baseline, EU accession, and Eurozone accession scenarios, respectively.<sup>7</sup>

---

### 3. Institutional framework

The NBS acts as an institution independent and autonomous from the executive and legislative branches of the government. Following an analysis of the status and competencies of the central bank, we explore its relationship with the ECB.

#### 3.1. Division of competences

The NBS, acting as a central bank, was established as an independent and autonomous institution that is accountable for its work in the National Assembly of the Republic of Serbia. The status, organisation, mandate, and functions of the NBS, as well as its relations with other national and international institutions, are regulated by the Constitution of the Republic of Serbia,<sup>8</sup> the Act on the National Bank of Serbia (hereinafter: the NBS Act),<sup>9</sup> and the Statute of the National Bank of Serbia (hereinafter: the NBS Statute).<sup>10</sup> The NBS, its bodies, and the members of these bodies are prohibited from seeking or taking instructions from government bodies and institutions.<sup>11</sup> However, the government and related bodies are prohibited from threatening the autonomy and independence of the NBS, its governing bodies, and their members from carrying out their tasks.<sup>12</sup>

7 Neck and Weyerstrass, 2019, p. 285.

8 *Official Journal of the Republic of Serbia* 98/2006 and 115/2021, Art. 95.

9 *Official Journal of the Republic of Serbia* 72/2003, 55/2004, 85/2005, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 and 44/2018.

10 *Official Journal of the Republic of Serbia* 12/2013, 18/2015, 72/2015 and 50/2018.

11 NBS Act, Art. 2.

12 NBS Act, Art. 2.

The primary objective of the NBS is to achieve and maintain price stability.<sup>13</sup> Without countering its primary objective, the NBS also contributes to maintaining and strengthening the stability of the financial system. Additionally, without countering these other objectives or its independence and autonomy, the NBS may support the pursuit of economic policy by the Government of the Republic of Serbia, operating in accordance with the principles of a market economy.<sup>14</sup> The monetary policy objective is expressed as a numerical target: the annual percentage change in the Consumer Price Index. The target until the end of 2023 was 3.0%, with a tolerance band of  $\pm 1.5\%$ .<sup>15</sup>

The NBS is entrusted with the following tasks: (i) determine and implement the monetary and foreign exchange policies; (ii) manage foreign exchange reserves; (iii) determine and implement, within its scope of authority, the activities and measures aimed at maintaining and strengthening the stability of the financial system; (iv) issue banknotes and coins and manage cash circulation; (v) regulate, supervise, and promote the smooth performance of domestic and cross-border payment transactions, in accordance with law; (vi) issue and revoke bank operating licenses, carry out prudential supervision of bank operations, and perform other activities in accordance with the law governing banks; (vii) issue and revoke licenses to carry on the insurance business, exercise the supervision of such business, issue and revoke authorisations for the conduct of specific activities within the insurance business and perform other activities in accordance with the law governing insurance; (viii) issue and revoke licenses to carry on financial leasing operations, exercise supervision of such operations and perform other activities in accordance with the law governing financial leasing; (ix) issue and revoke the operating and fund management licenses of voluntary pension fund management companies, supervise this business, and perform other activities in accordance with the law governing voluntary pension funds; (x) issue and revoke licenses of payment institutions to provide payment services and licenses of electronic money institutions to issue electronic money, supervise the provision of payment services and the issue of electronic money, and perform other activities in accordance with the law governing payment services; (xi) pursue activities relating to the protection of rights and interests of the consumers of services provided by banks, insurance companies, financial leasing providers, voluntary pension fund management companies, payment service providers and electronic money issuers, in accordance with law; (xii) determine whether the conditions for initiating the resolution procedure in respect to banks and/or members of a banking group are met, conduct the resolution procedure, decide on the resolution tools and measures to be applied and perform other activities relating to bank resolution, in accordance with the law governing banks; (xiii) issue and revoke operating

13 For further analysis, see: Furtula, 2007, p. 32.

14 NBS Act, Art. 3.

15 Decision on the adoption of the Monetary Policy Program of the National Bank of Serbia in 2023, *Official Journal of the Republic of Serbia* 137/2022, Art. 2.

licenses to and from payment system operators, exercise supervision of their operations and perform other activities, in accordance with the law governing payment services; (xiv) issue and revoke authorisations to perform exchange operations, supervise exchange and foreign exchange operations and perform other operations, in accordance with the law governing foreign exchange operations; (xv) perform statutory tasks or tasks established by contracts on behalf of the Republic of Serbia without threatening its autonomy and independence; and (xvi) perform other tasks, in accordance with law.<sup>16</sup>

The NBS performs its tasks through three main bodies: the Executive Board, the governor, and the Council of the Governor.<sup>17</sup> The governor is appointed by the National Assembly upon the proposal of the President of the Republic of Serbia for a six-year renewable term in office. The person eligible for the office of governor must be a national of the Republic of Serbia, meet the general requirements for employment, hold a university degree, and have at least ten years of professional experience in the fields of economics, banking, and finance. The Governor's main task is to implement the decisions of the Executive Board and of the Council. The Executive Board consists of an NBS governor and vice-governors. It determines monetary and foreign exchange policies and performs activities aimed at maintaining and strengthening the stability of the financial system. Some of its competencies include the elaboration of the monetary policy programme of the NBS, the manner of setting the interest rates of the NBS, the terms and conditions of issuing securities, the terms and conditions under which the NBS performs open-market and discount operations, the short-term loan policy, and the determination of the RSD exchange rate policy. The Executive Board sets the key policy rate and other interest rates applied by the NBS during the implementation of monetary policy. It also issues regulations related to the supervisory function of the NBS. Further, the Executive Board makes decisions at meetings through a majority vote of all members. In the event of a tie, the governor holds a cast vote. Finally, the Council of the Governor consists of five members, including the president, appointed by the National Assembly to propose the Parliamentary Committee in charge of finance. Council members were appointed for a five-year renewable term in office. The Council submits a report on its work to the National Assembly whenever deemed necessary but no less than twice a year. The main competencies of the Council include the adoption of the NBS Statute on the proposal of the Executive Board, the determination of the exchange rate regime for the dinar, the proposal of the Executive Board and (with the government's consent) the adoption of the strategy of foreign exchange reserve management, the proposal of the Executive Board, and the adoption of a decision to join international financial organisations and institutions. The Council makes decisions based on the majority vote of all members.

16 NBS Act, Art. 4.

17 NBS Act, Section II.

On the one hand, relations between the NBS and the government and the National Assembly are regulated under the NBS Act.<sup>18</sup> The NBS is required to submit the monetary policy programme for the forthcoming year to the National Assembly – for information purposes only – by no later than 15 December of the current year. The monetary policy programme must be published in an official journal. Further, the NBS governor is required to explain the National Assembly’s monetary policy program. The NBS is also required to submit ‘backward looking reports’ to the National Assembly, which comprise semi-annual and annual reports on monetary policy that explain all the factors affecting the implementation of the policies, as well as an annual report on the stability of the financial system. In addition to reports related to monetary policy and the stability of the financial system, the NBS is required to submit a general annual report on its activities and results to the National Assembly by no later than 30 June of the following year. The National Assembly may not provide any instructions to the NBS based on the monetary policy programme or other submitted NBS reports. Furthermore, to submit different types of reports to the National Assembly, the NBS is entitled to propose the former laws within its scope of competence.

The government and the NBS are allowed to exchange opinions and information while maintaining their respective independence and decisional autonomy. The NBS governor may be invited to attend government meetings. The government and/or relevant ministries may submit drafts of laws relating to the objectives, tasks, rights, and obligations of the NBS to obtain an opinion thereon. The government and/or the relevant ministry is required to submit to the NBS a draft of the memorandum on budget, economic, and fiscal policies and a Draft Budget Act for the purpose of obtaining an opinion thereon.<sup>19</sup> Meanwhile, the Ministry of Finance is required, at least once a year, to provide the NBS with a written notification of planned new borrowings from the Republic of Serbia abroad, as well as the expected disbursement of foreign loans and repayment under such loans, to allow the NBS to analyse the impact of such borrowing on monetary policy. The Ministry of Finance is also required to notify the NBS of any transactions related to external borrowing in the Republic of Serbia.

Case law related to the competencies and activities of the NBS is rather scarce. In 2014, the Constitutional Court of the Republic of Serbia found that Art. 86b of the NBS Act does not comply with the Constitution.<sup>20</sup> Under this provision, the NBS, the governor, vice-governors, and other NBS employees cannot be held liable for the damage caused to the performance of the tasks of the NBS *unless it is proven that they did not act in good faith*. The Constitutional Court found that the subjective

18 NBS Act, Section VII.

19 For a comparative analysis of the relationship between the central bank and the government, see: Golubović and Dimitrijević, 2022, pp. 147–152; Jovanić, 2009, pp. 307–320. For a more critical assessment of the central bank independence, see: Siklos, 2008, pp. 802–816.

20 Constitutional Court of the Republic of Serbia, decision no. IUz–1243/2010, 23 December 2014.

criterion prescribed by Art. 86b of the NBS Act contradicts Art. 35 of the Constitution, which proclaims that everyone has the right to compensation for material or non-material damage inflicted on him by the unlawful or irregular work of a state body, entities exercising public powers, bodies of the autonomous province, or local self-government.

### ***3.2. Relations with the European Central Bank***

The NBA has long cooperated with the ECB. In 2011, the ECB launched a central bank cooperation programme with the NBS funded by the EU. The aim of the programme was to support the NBS in implementing the central banking standards of the EU. The 3-year programme, which was a follow-up to an analysis of the specific needs of the NBS carried out from 2008 to 2009, covered eleven different areas of cooperation: (i) financial sector supervision; (ii) legal harmonisation; (iii) liberalisation of capital movements; (iv) foreign exchange reserve management; (v) monetary and exchange rate operations; (vi) financial services consumer protection; (vii) EU accession support; (viii) economic analysis and research; (ix) statistics; (x) payment systems; and (xi) financial stability. The aim of the programme was to help the NBS prepare strategies, internal policies, and economic models that meet the standards applied by central banks in the EU as well as laws that transpose the EU regulatory regime into Serbian law. The NBS staff acquired expertise through training courses and visits to institutions in EU Member States.

A similar project, entitled ‘Strengthening of the institutional capacities of the NBS in the process of EU accession’, was implemented in cooperation with the ECB and the European System of Central Banks (ESCB) from September 2018 to March 2020. The objective of this project was to prepare the NBS to join the ESCB under Serbia’s accession to the EU. The NBS then participated in a capacity-building project; namely, the regional project ‘Programme for strengthening the central bank capacities in the Western Balkans with a view to the integration to the European System of Central Banks’. The project lasted from 2019 to 2021 and was intended for central banks and banking supervisory authorities in EU candidate and potential candidate countries. The Deutsche Bundesbank, together with nineteen national central banks, and with contributions by the ECB, organised an intensive regional training programme on key central banking and supervision issues in the areas of: (i) banking supervision; (ii) financial stability; (iii) financial consumer protection and financial inclusion; (iv) recovery and resolution; (v) monetary policy; (vi) payment systems; (vii) statistics; (viii) compliance and European integration; (ix) governance policies; (x) accounting; and (xi) internal audit. Finally, Serbia also participates in the ‘Pericles 2020’ programme, which funds staff exchanges, seminars, trainings, and studies for law enforcement, judicial authorities, banks, and others



involved in combating euro-counterfeiting to prevent and fight counterfeiting and related fraud.<sup>21</sup>

In July 2014, the ECB and the NBS held the first bilateral dialogue in Frankfurt, when, on the sidelines of the meeting, then-president of the ECB, Mario Draghi, and the Governor of the NBS, Jorgovanka Tabaković, signed an agreement on cooperation in the area of preventing counterfeiting and detecting counterfeit euro banknotes in Serbia. With this agreement, the ECB promised to deliver the technical specifications of the original euro banknotes and the classification of counterfeits to the NBS. Since this first meeting, bilateral dialogues have been held once a year in Frankfurt and Belgrade.

Following a series of joint cooperation projects, the NBS signed a comprehensive memorandum of understanding (MoU) with the ECB in December 2018.<sup>22</sup> The purpose of the MoU is to formalise cooperation and information-sharing mechanisms between the ECB and the NBS. Each signatory is required to provide the other party with any information necessary for exercising the other party's supervisory tasks on a timely basis upon request or on its own initiative, where appropriate and insofar as feasible. The parties endeavour to preserve the confidentiality of the information received to the extent permitted by laws, regulations, and requirements. Each party is required to hold confidential information received from the other party except if it is legally obligated to disclose confidential information.<sup>23</sup> The MoU also regulates cooperation between the NBS and ECB in relation to authorisation, qualifying holdings assessments, and the assessment of directors. Signatories are required to notify each other without delaying their applications for approval to establish cross-border establishments or make acquisitions. Upon request, the parties will inform each other whether the applicant is in substantial compliance with the applicable laws and regulations and whether it may be expected, in light of its administrative structure and internal controls, to manage the supervised entity or cross-border establishment in an orderly manner. On request, the parties are required to assist each other by verifying or supplementing any information submitted by the applicant.<sup>24</sup> Additionally, on request, each signatory is required to inform the other of non-public administrative pecuniary penalties, enforcement, or sanction decisions with respect to cross-border establishments or supervised entities, insofar as they relate to the operation of cross-border establishments in that

21 The programme is governed by the Regulation (EU) 2021/840 of 20 May 2021 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2021–2027 (the 'Pericles IV' programme), and repealing Regulation (EU) No 331/2014, OJ L 186, 27.5.2021, 1–11.

22 The MoU is available at the website of the National Bank of Serbia: *Memorandum of Understanding between the SSM-ECB and the National Bank of Serbia* [Online]. Available at: [https://www.nbs.rs/export/sites/NBS\\_site/documents/ostalo/memorandum/MoU-between-the-central-bank-of-Serbia-and-the-ECB.pdf](https://www.nbs.rs/export/sites/NBS_site/documents/ostalo/memorandum/MoU-between-the-central-bank-of-Serbia-and-the-ECB.pdf) (Accessed: 15 November 2023).

23 MoU, Art. 3.

24 MoU, Art. 7.

jurisdiction.<sup>25</sup> The signatories are also required to assist each other, when feasible, in conducting on-site inspections of cross-border establishments situated in the other party's jurisdiction.<sup>26</sup> Given that the document signed by the NBS and the ECB is merely a MoU, it does not create any directly or indirectly enforceable rights for signatories or third parties.

During the COVID-19 crisis, the NBS requested assistance from the ECB. The two parties reached an agreement to establish a repo line to provide liquidity in euros to Serbian financial institutions that should arise under the conditions of market disruptions caused by the pandemic. Through this repo line, the ECB may provide liquidity in euros to the central banks of countries that are not members of the Eurozone in exchange for the corresponding collateral. The repo line enables the NBS to borrow a maximum of EUR 1 billion from the ECB. Each individual used funds for a maximum of three months.

---

## 4. Crisis management

The three main challenges the national authorities faced in recent years were the European monetary crisis, the COVID-19 crisis, and the energy crisis, with the latter intensified by the outbreak of the Russian-Ukrainian conflict. The reactions of Serbian authorities to these events are analysed in the present section.

### *4.1. Reaction to the European monetary crisis*

In response to the European monetary crisis, which started in 2007, the NBS and the Government of Serbia undertook measures to increase the use of dinars in monetary transactions. The dinar (RSD) has been the Serbian currency since the Middle Ages, with the Serbian dinar mentioned for the first time in documents from late 1214, at the time of Stefan the First-Crowned. Although the contemporary Serbian dinar is the only official currency, both citizens and businesses tend to use the euro as a reference currency. This is one of the consequences of the turbulent period that the country went through at the end of the twentieth century, characterised by a high level of inflation. Research undertaken by the European Bank for Reconstruction and Development (EBRD) in 2010 showed that Serbia was one of the most euroised economies in Eastern Europe and on bank balance sheets. At 72 per cent, loan euroization in Serbia was higher than in most Eastern European countries – in both fixed exchange rate and inflation-targeting regimes in Eastern Europe, loan euroisation is no more than 60 per cent and typically less. The Serbia's median

<sup>25</sup> MoU, Art. 9.

<sup>26</sup> MoU, Art. 10.

household euro cash holdings exceeded those of any other Central or Southeastern European country.<sup>27</sup>

In March 2012, this situation led to the adoption of a set of measures and activities aimed at enhancing the use of dinars in Serbia's financial system, called the Dinarization Strategy. The NBS considers that greater use of the dinar would result in a more powerful monetary policy transmission mechanism, allowing for the more efficient achievement and maintenance of price stability as its principal objective. Consequently, since 2011, dinarisation has been highlighted as one of the objectives of the NBS in the NBS Monetary Policy Programme. In 2012, the NBS and Government of the Republic of Serbia signed the Memorandum on the Strategy of Dinarisation of the Serbian Financial System and reaffirmed their commitments in 2018. The Memorandum defined the steps that the two institutions need to undertake to boost the use of the dinar in Serbia; specifically, this work rests on three interconnected pillars: (i) strengthening the macroeconomic environment characterised by low and stable inflation, a stable financial system, and sustainable economic growth; (ii) promoting dinar instruments and markets, with special emphasis on the development of the dinar securities market; and (iii) developing and improving FX hedging instruments in the non-banking sector. Under the Dinarisation Strategy, the government undertook additional measures, such as developing the domestic dinar financial market, increasing dinar loans and encouraging banks to rely more on dinar sources of funding. As a result of these additional measures, as of 2015, government dinar securities may have also been traded on the Belgrade Stock Exchange, which contributed to the development of the dinar capital market in Serbia. In 2014, the government adopted a programme for subsidising interest rates exclusively on dinar corporate loans, with a maximum repayment term of 18 months. Approximately RSD 130 billion of loans have been approved under the program.<sup>28</sup>

The two memorandum signatories have committed to monitoring and analysing the degree of dinarisation and regularly inform the public about the measures and activities being taken, as well as about the progress achieved in the process of dinarisation. For this purpose, the NBS publishes a quarterly Report on Dinarisation of the Serbian Financial System. In its latest<sup>29</sup> report, the NBS indicated that the share of dinars in total corporate and household deposits will increase to a record high in Q1 2023. However, when only new deposits are observed in Q1 2023, this share decreases. At the end of Q1 2023, the degree of dinarisation of Serbia's public debt decreased compared to the end of the previous quarter (specifically, it dropped to 22.9%); more broadly, this trend began in Q3 2021.<sup>30</sup>

27 Chailloux, Ohnsorge and Vavra, 2010, p. 1.

28 National Bank of Serbia and Government of the Republic of Serbia, 2018, Section 4.2.

29 As of September 2023.

30 All reports are available at the NBS website: *Report on Dinarisation of the Serbian Fiscal System* [Online]. Available at: <https://www.nbs.rs/en/drugi-nivo-navigacije/publikacije-i-istrazivanja/dinarizacija/> (Accessed: 11 October 2023).

#### 4.2. Reaction to the COVID-19 crisis

Both the NBS and the Government of the Republic of Serbia undertook measures in response to the COVID-19 pandemic. The NBS measures can be classified into two groups: (i) monetary policy measures and (ii) moratoriums on debt payments. In March 2020, the NBS Executive Board decided to lower its key policy rate by 50 basis points to 1.75%, while narrowing the corridor of its main interest rates from  $\pm 1.25$  percentage points to  $\pm 1$  percentage point relative to the key policy rate. Consequently, the deposit facility rate was reduced by 25 basis points to 0.75%, whereas the lending facility rate was reduced by 75 basis points to 2.75%. The following month, the rate was reduced by another 25 basis points to 1.50%, which was the lowest key policy rate in the inflation-targeting regime. The NBS also provided dinar and foreign currency liquidity to the banking sector in the state of emergency by applying additional EUR/RSD swap auctions and repo operations (the FX swap auctions were discontinued in March 2021 and the repo securities purchase auctions were discontinued in October 2021). Finally, the NBS provided dinar liquidity to the banking system by repurchasing dinar government securities. The second type of NBS measures consisted in prescribing a moratorium on debt payments. In March 2020, the NBS adopted a decision on temporary measures to preserve financial system stability<sup>31</sup> and a decision on temporary measures for lessors aimed at preserving the stability of the financial system.<sup>32</sup> This set of decisions was made to prevent the growth of non-performing loans facing Serbia's banking sector. A moratorium was envisaged for all debtors (natural persons, farmers, entrepreneurs, the corporate sector). However, debtors were allowed to decide whether to accept an offer from a bank/lessor, which implied a suspension of debt payments for at least 90 days (i.e. the duration of the state of emergency).

In addition to the measures of the central bank, the Government of Serbia adopted a programme of economic measures for reducing the negative effects caused by the COVID-19 pandemic to support the Serbian economy in March 2020. The program, worth EUR 5.1 billion (or RSD 608.3 billion), included tax policy measures, direct assistance to the private sector, measures to preserve liquidity for the private sector, and other measures.<sup>33</sup> The first set of government measures was related to the deferral of taxes and contributions for the duration of the state of emergency and the payment of those liabilities beginning at the earliest in 2021, as well as the deferral of income tax payments in the second quarter. The objective

31 *Official Journal of the Republic of Serbia* 33/2020.

32 *Official Journal of the Republic of Serbia* 33/2020.

33 For the Program, see: *Програм економских мера – за смањивање негативних ефеката проузрокованих пандемијом вируса Ковид 19 и подршку привреди Србије* [Program ekonomskih mera – za smanjivanje negativnih efekata prouzrokovanih pandemijom virusa Kovid 19 i podršku privredi Srbije] [Online]. Available at: [https://privreda.gov.rs/sites/default/files/inline-files/Ekonomske-Mere\\_prezentacija\\_konacno.pdf](https://privreda.gov.rs/sites/default/files/inline-files/Ekonomske-Mere_prezentacija_konacno.pdf) (Accessed: 11 October 2023).

of this measure was to facilitate tax relief and preserve liquidity. The second set of government measures consisted of direct assistance to entrepreneurs and micro-, small-, and medium-sized enterprises through the provision of three minimum wages, as well as to large private sector enterprises, for which a payment of 50% of the net minimum wage was envisaged during the state of emergency. The third group of measures consisted of providing liquidity to the economy through loans from the Development Fund of the Republic of Serbia, and a guarantee scheme for supporting the economy through the banks. This measure was allocated the largest share of the funding from the economic programme: RSD 264 billion (4.8% of GDP). Other measures included a moratorium on dividend payments until the end of 2020, except for public undertakings, and a payment of EUR 100 to all adult citizens.

### ***4.3. Reaction to the energy crisis***

Several government agencies and bodies regulate the energy sector in Serbia; the two most important are the Ministry of Mining and Energy and the Energy Agency of the Republic of Serbia (hereinafter: the AERS). The Ministry of Mining and Energy is responsible for developing and implementing policies related to Serbia's energy sector. It oversees the country's energy strategy, efficiency, renewable energy, and security. Meanwhile, the AERS is an independent regulatory body that oversees the operation of electricity and natural gas markets in Serbia. It regulates prices, network access, the quality of service, and technical and safety standards. Serbia is a member of the Energy Community, a regional organisation that promotes the development of a sustainable energy market in Southeast Europe.<sup>34</sup> Membership in the Energy Community implies the harmonisation of energy laws and regulations with those of the EU. The umbrella law which regulates the energy sector in Serbia is the Energy Act.<sup>35</sup> The Energy Sector Development Strategy of the Republic of Serbia up to 2025, with projections up to 2030 (hereafter, the Energy Strategy),<sup>36</sup> identified current problems and defined the main priorities for all segments of the energy sector: electricity, heat, coal, oil, gas, renewable energy sources, and energy efficiency.<sup>37</sup>

The energy sector in Serbia is dominated by companies that are partly or fully owned by the state, which limits their capacity to invest given that their pricing policy is heavily influenced by the government's social welfare objectives. Indeed, energy prices in Serbia are low, especially for electricity. Further, in Serbia, budget assistance is available to help energy-jeopardised customers pay their electricity

34 See: Section 2.2.1. *supra*.

35 *Official Journal of the Republic of Serbia* 145/2014, 95/2018, 40/2021, 35/2023 and 62/2023.

36 *Official Journal of the Republic of Serbia* 101/2015.

37 Serbia's approach to energy security was initially specified in 2005, in the Energy Development Strategy until 2015 (*Official Journal of the Republic of Serbia* 44/2005). For an in-depth analysis, see: Dimitrijević, 2018, pp. 140–141.

and gas bills; currently, this support extends to nearly 70,000 households and costs the state around EUR 10 million per year. All socially vulnerable citizens and recipients of child allowances have the right to reduce their electricity and gas bills without submitting an application; other citizens receive subsidies based on the earnings of each household member and must submit an application to be granted the privilege.<sup>38</sup>

In February 2023, Serbia received financial aid from the EU to address its energy crisis. Financial aid was provided through the Financial Agreement for the Energy Support Package of the European Union to Serbia, worth EUR 165 million. This aid was made available for the implementation of the Serbian Government's Road Map for Energy Support, which describes what EU funds should be spent.<sup>39</sup> The plan included six measures. The first measure comprised subsidies for vulnerable households; thus, at least the same number of households will be protected in 2023 as in the previous year. The second measure protects small- and medium-sized enterprises from high electricity prices to help them continue operating; of these enterprises, at least the same number of companies – 70,000 – will be supported by 2023 as in the previous year. The third measure involves saving energy through incentives for electricity consumers. The fourth measure consists of increasing competition in the gas and electricity markets, which implies the separation and certification of all gas operators, opening of the gas market, and auctions for producers of electricity from renewable sources. The fifth measure is energy security, which implies the co-financing of projects and the adoption of investment plans in the power, oil, and gas sectors. The sixth measure refers to the promotion of energy efficiency and renewable energy sources and includes a subsidy scheme for households in multifamily residential buildings to implement energy efficiency measures and subsidise solar panels and heat pumps for private homes, small- and medium-sized enterprises, and public buildings. In addition to the EU's financial aid, the EBRD approved a financing package of EUR 300 million in May 2023 to support Serbia's electricity sector. The funds will be channelled to the national electricity utility 'Elektroprivreda Srbije' to improve its liquidity. This project will support the government's strategy to decarbonise the electricity sector, phase out coal by 2050, develop a regulatory framework for the launch of renewable energy auctions, incentivise their rollout, and ensure both energy security and sustainable supply. No part of the EBRD loan has been used for existing coal assets.

38 For example, for a one-member household, the income limit is up to RSD 15,690 (cca EUR 135), for a household with two and three members up to RSD 22,845 (cca EUR 200), for a household with four to five members up to RSD 29,994 (cca 255 EUR), and for a household with six and more members up to RSD 37,719 (cca EUR 320).

39 Ministry of Mining and Energy, 2022.

## 5. Concluding remarks

The NBS, acting as a central bank, was established as an independent and autonomous institution that is accountable for its work in the National Assembly of the Republic of Serbia. The status, organisation, mandate, and functions of the NBS, as well as its relations with other national and international institutions, are regulated by the Constitution of the Republic of Serbia, NBS Act, and NBS Statute. The relations between the NBS, on the one hand, and the government and the National Assembly, on the other, are regulated by law. The NBS is required to submit the monetary policy programme for the forthcoming year to the National Assembly, but only for information purposes, no later than 15 December of the current year. This monetary policy programme must be published in an official journal. The NBS Governor is also required to explain the National Assembly's monetary policy program. The government and the NBS are allowed to exchange opinions and information while maintaining their respective independence and decisional autonomy. The NBS governor may be invited to attend government meetings. Further, the government and/or relevant ministries may submit drafts of laws relating to the objectives, tasks, rights, and obligations of the NBS to obtain an opinion thereon.

The NBS long cooperated with the ECB. Over the last 20 years, the two authorities have conducted numerous cooperation projects and signed an MoU (in 2018). The purpose of the MoU is to formalise cooperation and information-sharing mechanisms between the ECB and the NBS. Each signatory is required to provide the other party with any information necessary for exercising the other party's supervisory tasks on a timely basis upon request or on its own initiative, where appropriate and insofar as feasible. Since 2014, the NBS and ECB have held regular annual bilateral meetings. In addition to capacity-building cooperation agreements, the two authorities signed an agreement on cooperation in the area of preventing counterfeiting and detecting counterfeit euro banknotes in Serbia. Based on this agreement, the ECB will deliver the technical specifications of the original euro banknotes and the classification of counterfeits to the NBS.

The main challenge faced by the national authorities in recent years has been the COVID-19 crisis. Both the NBS and the government undertook measures in response to the pandemic. Specifically, the NBS implemented monetary policy measures and a moratorium on debt payments. Meanwhile, the Government of Serbia adopted a programme of economic measures to reduce the negative effects of the pandemic and support the Serbian economy; this programme included tax policy measures, direct assistance to the private sector, and measures to preserve liquidity in the private sector, among others. It is also important to note that the COVID-19 crisis was complemented by an energy crisis, which was further highlighted by recent geopolitical developments.

## Bibliography

- Chailloux A., Ohnsorge, F., Vavra, D. (2010) 'Euroisation in Serbia', *EBRD Working Paper*, 2010/120, pp. 1–21. [Online]. Available at: <https://www.ebrd.com/downloads/research/economics/workingpapers/wp0120.pdf> (Accessed: 8 October 2023).
- Dimitrijević, D. (2018) 'Serbia and current trends in energy security' in Proroković, D., Trapara, V. (eds.) *Srbija i svet u 2017. godini*. Belgrade: Institut za međunarodnu politiku i privredu, pp. 126–151.
- Durković D., Fedajev, A., Furtula, S., Stanišić, N. M. (2019) 'The Measurement of Real Convergence in the EU–28 by Using the Entropy Method', *Ekonomický časopis*, 67(7), pp. 698–724.
- Furtula, S. (2007) 'Kompatibilnost Narodne banke Srbije sa Evropskom centralnom bankom', *Bankarstvo*, 2007/7–8, pp. 28–47.
- Golubović, S., Dimitrijević, M. (2022) *Poslovne i bankarske finansije za pravnike*. Niš: Pravni fakultet Univerziteta u Nišu.
- Jovancai Stakić, A., Stokanović, J. (2015) 'The possibility of reaching the fulfilment of Maastricht convergence criteria in Serbia', *Megatrend revija*, 12(2), pp. 111–122; <https://doi.org/10.5937/MegRev1502111J>.
- Jovanić T. (2009) *Ciljevi i oblici regulisanja poslovanja banaka*. Belgrade: Pravni fakultet Univerziteta u Beogradu.
- Mihaljek, D. (2006) 'Are the Maastricht criteria appropriate for central and eastern Europe?' in Motamen–Samadian, S. (ed), *Economic Transition in Central and Eastern European Countries*. Cheltenham: Palgrave, pp. 2–25.
- Ministry of Mining and Energy (2022) *Road Map for Energy Support in the Republic of Serbia*, 22 December. [Online]. Available at: <https://ekonsultacije.gov.rs/topicOfDiscussionPage/102/1> (Accessed: 21 October 2023).
- National Bank of Serbia (2008) *Memorandum of the National Bank of Serbia on Inflation Targeting as Monetary Strategy* [Online]. Available at: [https://www.nbs.rs/export/sites/NBS\\_site/documents-eng/monetarna-politika/Memorandum\\_monetarna\\_strategija\\_122008\\_eng.pdf](https://www.nbs.rs/export/sites/NBS_site/documents-eng/monetarna-politika/Memorandum_monetarna_strategija_122008_eng.pdf) (Accessed: 15 November 2023).
- National Bank of Serbia, Government of the Republic of Serbia (2018) *Memorandum on the Dinarisation Strategy* [Online]. Available at: [https://www.nbs.rs/export/sites/NBS\\_site/documents-eng/publikacije/dinarizacija/Memorandum\\_Dinarisation\\_Strategy\\_2018.pdf](https://www.nbs.rs/export/sites/NBS_site/documents-eng/publikacije/dinarizacija/Memorandum_Dinarisation_Strategy_2018.pdf) (Accessed: 9 October 2023).
- Neck, R., Weyerstrass, K. (2019) 'Macroeconomic effects of Serbia's integration in the EU and the Euro area', *International Advances in Economic Research*, 25(1), pp. 277–292; <https://doi.org/10.1007/s11294-019-09748-1>.
- Siklos, L. P. (2008) 'No single definition of central bank independence is right for all countries', *European Journal of Political Economy*, 24(4), pp. 802–816; <https://doi.org/10.1016/j.ejpolco.2008.07.004>.



# SLOVAKIA: THE PATH FROM MONETARY SOVEREIGN TO COMMON EUROPEAN RULES



MIROSLAV ŠTRKOLEC

## Abstract

This chapter focuses on the monetary policy of Slovakia, a member of both the EU and the Eurozone. Slovakia's membership in the euro area has fundamentally influenced, and continues to influence, its monetary policy. From the Slovak perspective, we distinguish between the period up to 2009, when the Slovak Republic – represented by the National Bank of Slovakia (NBS) – was the monetary sovereign, and the period from 2009 onwards, when the NBS participated in the common monetary policy set by the European Central Bank for the entire Eurozone. In the introduction, we highlight the historical background of Slovakia's entry into the euro area in terms of its fulfilment of the convergence criteria. We also discuss the advantages and disadvantages of Eurozone membership in terms of assumptions and subsequent realities. The bulk of this chapter deals with the European Banking Union from the perspective of Slovakia, which, as a member of the Eurozone, is obliged to participate in its existing pillars. It takes a closer look at the powers entrusted to the national authorities (NBS, Resolution Board, Deposit Guarantee Fund) to achieve the objectives for which the banking union was created. Finally, the chapter concludes by highlighting Slovakia's limited influence on the European Union's monetary policy, in which it participates mainly through the NBS governor in the Governing Council of the European Central Bank.

**Keywords:** *monetary policy, convergence criteria, banking union, crisis resolution, deposit guarantee*

---

Miroslav Štrkolec (2024) 'Slovakia: The Path From Monetary Sovereign to Common European Rules'. In: Zoltán Nagy (ed.) *Economic Governance. The Impact of the European Union on the Regulation of Fiscal and Monetary Policy in Central European Countries*, pp. 805–820. Miskolc–Budapest, Central European Academic Publishing.

[https://doi.org/10.54237/profnet.2024.znecogov\\_35](https://doi.org/10.54237/profnet.2024.znecogov_35)

## 1. The introduction of the euro in Slovakia

From 1993 to the end of 2008, the monetary system in Slovakia had the characteristics of a nation-state legal tender system, that is, it used banknotes and coins – Slovak crowns and hellers, respectively. The tradition of referring to banknotes and coins as ‘crowns’ and ‘hellers’ was inherited from the joint Czech-Slovak state, which ceased to exist at the beginning of 1993 with the establishment of the independent Czech and Slovak Republics.

Even before joining the EU in 2004, the Slovak Republic began taking steps to fulfil the criteria for introducing the euro as a single currency. Before turning to the introduction of the euro to the Slovak Republic, it is necessary to provide background information on the introduction of the euro to EU Member States. Monetary integration and the current use of a single currency within the euro area are the result of rather long and difficult developments – the path towards a common monetary union (i.e. a grouping in which a single currency, a single monetary policy, and a single central bank are used) has involved several stages.

The first stage involved the removal of monetary and exchange-rate barriers between Member States; the second the creation of the European Monetary Institute; and the third the introduction of a single currency (the euro), a single monetary policy, and a single central bank.<sup>1</sup>

The legal basis for a monetary union was the Treaty establishing the European Community, which also laid down the conditions for a Member State’s entry into the third stage.<sup>2</sup> These criteria, which must be fulfilled cumulatively, are as follows: (i) The achievement of a high degree of price stability; this is apparent from the rate of inflation which is close to that of, at most, the three best-performing Member States in terms of price stability (the inflation criterion); (ii) The sustainability of the government’s financial position, which will be apparent from having achieved a government budget position without an excessive deficit (criterion on the government budgetary position); (iii) The observance of the normal fluctuation margins provided by the exchange rate mechanism (ERM II) of the European Monetary System for at least two years, without devaluing against the currency of any other Member State (exchange rate stability criterion); (iv) The durability of convergence achieved by the Member State and its participation in the exchange rate mechanism is reflected in the long-term interest rate levels.<sup>3</sup>

From a theoretical perspective, these criteria can be divided into fiscal (criterion on government budgetary position) and monetary convergence criteria (all other criteria).<sup>4</sup> Art. 140 of the Treaty on the Functioning of the European Union (TFEU),

1 Tomášek, 2007, p. 50.

2 The criteria for a Member State to join the euro area are also known as the Maastricht criteria or convergence criteria.

3 Art. 121 of the EC Treaty.

4 Daudrikh and Szakács, 2022, p. 107.

as amended by the Treaty of Lisbon, similarly defines the basic criteria for the introduction of the euro as a single currency, with exchange rate stability linked to the euro as a single currency.

The beginning of Slovakia's efforts to join the euro area and introduce the euro can be defined as the date it adopted the Strategy for the Introduction of the Euro, 16 July 2003 (the 'Strategy'). The Strategy was prepared by the Ministry of Finance and the NBS and clearly stated that Slovakia would introduce the euro as soon as it fulfilled all convergence criteria in a sustainable manner.

When the strategy was adopted, Slovakia fulfilled only one convergence criterion (the exchange rate stability criterion). To fulfil the other criteria, several reforms had to be implemented (e.g. public finance, pension, healthcare, and tax reforms, which occurred from 2000 to 2006). Slovakia managed to fulfil all convergence criteria in the relatively short period of one legislative term. Specifically, it fulfilled the price stability criterion in 2007, the interstate convergence criterion in 2005, and the final criterion of the government budgetary position in 2008 by Council Decision 2008/562/EC on 3 June 2008 abrogating Decision 2005/182/EC on the existence of an excessive deficit in Slovakia. Subsequently, the European Central Bank (ECB) and the European Commission issued a Convergence Report stating that Slovakia fulfilled all convergence criteria for joining the euro area.<sup>5</sup>

### ***1.1. Act on the introduction of the euro in Slovakia***

The Commission's report on the fulfilment of the criteria for the introduction of the euro by the Slovak Republic culminated in a multiannual process aimed at fulfilling these criteria. As the introduction of the euro in Slovakia was scheduled for 1 January 2009, the National Council adopted the Act on the Introduction of the Euro in Slovakia on 28 November 2007.<sup>6</sup> It was not clear at this time when Slovakia would join the euro area – some of the provisions of this Act came into force on 1 January 2008 and others only on the date Slovakia introduced the euro. The date of the introduction of the euro is defined in the Act as the date of the changeover to the euro for both cash and non-cash circulation in the Slovak Republic. The date of the introduction of the euro was identical to the euro adoption date set by the Council of the EU in accordance with the European Community (EC) Treaty (1 January 2009).

This Act (also called the General Act on the Introduction of the Euro) regulates certain necessary measures and procedures related to the preparation and introduction of the euro in Slovakia as an exclusive legal tender, single currency, and currency unit in accordance with the legally binding acts of the EU.

<sup>5</sup> Daudrikh and Szakács, 2022, pp. 109–110.

<sup>6</sup> Act No. 659/2007 on the introduction of the euro currency in the Slovak Republic, amending certain acts, as amended.

The adoption of this Act had a number of objectives, including: (i) to ensure an organised and smooth process of the change of legal tender and currency units in the Slovak Republic as a result of the changeover from the Slovak currency to the euro; (ii) to prevent an increase in the inflation rate resulting from the changeover to the euro; (iii) to protect the economic interests of citizens and consumers during the changeover to the euro; (iv) to preserve the continuity of existing legal relations; (v) to achieve price neutrality when money, prices, payments, and other financial and asset values are converted from the Slovak currency to the euro; (vi) to enable natural and legal persons to gradually prepare for and adapt to the assessment of the real value of income, expenses, prices, payments, and living costs in euros through the dual display of prices, payments, and other amounts.<sup>7</sup>

The basic principles and rules of this Act are linked to these objectives. These are: (i) the principle of the protection of economic interests of citizens and consumers; (ii) the principle of price neutrality when money, prices, payments, and other values are converted from the Slovak currency into the euro; (iii) the principle of continuity of existing legal relations in compliance with the principle of freedom of contract, without any change in the real financial value of the object of the legal relations and without any change in their parties, validity, or other content, unless otherwise agreed upon by all the parties concerned or provided for by a law or special regulation.<sup>8</sup>

On the date of the introduction of the euro, cash circulation in the Slovak Republic changed from the Slovak currency to the euro, while euro banknotes and coins, including euro collector coins issued by the NBS, became legal tender at their respective face values for all cash payments in Slovakia. In this context, it is necessary to define the concept of the conversion rate, which is essential for the introduction of the euro.

The conversion rate is the fully irrevocably fixed exchange rate between the euro and the Slovak currency adopted by the EU Council in accordance with the EC Treaty, according to which the Slovak currency was replaced by the euro in Slovakia from the date of its introduction. The conversion rate was set at 30.1260 SKK/EUR on 8 July 2008.

The date of the introduction of the euro marked the beginning of a dual cash circulation period lasting sixteen calendar days, including the date of the introduction of the euro. During this period, legal tenders for all cash payments in the Slovak Republic were, at their respective face values, valid euro banknotes and coins, including commemorative euro coins denominated in euro or euro cents, issued by the ECB, the National Bank of Slovakia (NBS), other euro area countries, or participating third countries. Additionally, Slovak banknotes and coins, including commemorative Slovak coins denominated in Slovak crowns or hellers,

<sup>7</sup> Art. 1 para. (1) of the Act on the Introduction of the Euro in Slovakia.

<sup>8</sup> Art. 2 para. (1) of the Act on the Introduction of the Euro in Slovakia.

issued by the NBS and valid as of the date of the introduction of the euro, were also accepted.

At the end of the dual cash circulation period, all banknotes and coins issued in Slovakia before the introduction of the euro ceased to be legal tender in Slovakia and their validity expired. At the end of the dual cash circulation period, euro banknotes and coins became the exclusive legal tender for all cash payments in the Slovak Republic at their respective face values.

The Act also laid down detailed procedures for withdrawing Slovak banknotes and coins from circulation. Slovak banknotes and coins were gradually withdrawn from circulation from the date of the introduction of the euro by exchanging them for the euro at the conversion rate and during the exchange periods provided by the Act. The exchange of Slovak banknotes and coins into euro was carried out by the NBS, banks and other credit institutions, branches of foreign banks and branches of other foreign credit institutions, and foreign banks and other foreign financial institutions carrying out banking activities in Slovakia, in all their establishments used for treasury operations in Slovakia.

The exchange of Slovak banknotes and coins from the date the euro was introduced has been carried out during the exchange periods specified by the Act. Slovak banknotes were exchanged by banks and institutions other than the NBS for one year from the date of the introduction of the euro. However, the NBS has been allowed to exchange Slovak banknotes without any time limits. Slovak coins were exchanged by banks and institutions other than the NBS for a period of six months from the date of the introduction of the euro. Slovak coins were exchanged by the NBS for a period of five years from the date of introduction of the euro in the case of Slovak coins other than commemorative coins, and for an unlimited period in the case of commemorative coins.

The General Act on the Introduction of the Euro also regulates a number of other issues related to the introduction of the euro, such as the protection of Slovak banknotes and coins, the conversion and transfer of money and procedures for the conversion of assets and monetary amounts, continuity of legal relations, conversion of nominal values of share capital, conversion of nominal values of securities, assumptions and conditions for dual display, and monitoring of compliance with rules and obligations in preparation for and during the changeover to the euro, including corrective measures and sanctions.<sup>9</sup>

### ***1.2. Benefits and disadvantages of the introduction of the euro in Slovakia***

When discussing the advantages and disadvantages of introducing the euro in Slovakia, it is important to distinguish between the *ex ante* and *ex post* views. One of the first documents to estimate the positive and negative effects of the introduction of the euro in Slovakia *ex ante* was the NBS study of March 2006 entitled 'Effects of

<sup>9</sup> Babčák, Cakoci and Štrkolec, 2022, pp. 448–452.

the introduction of the euro on the Slovak economy'.<sup>10</sup> This study distinguished, in a precise and analytical way, the direct and indirect benefits of introducing the euro as well as the permanent and one-off disadvantages.

Among the direct benefits, this study identified those that would be experienced almost immediately after a changeover. The most important benefit of the euro was the elimination of some of the transaction costs of trading in euros, including the administrative costs of making payments. The exchange rate risk for payments in the euro area was eliminated, and a slight reduction in the exchange rate risk against the dollar and other important currencies for Slovakia was also made possible. Among the direct benefits of introducing the Euro, this study also identified an increase in price transparency in the single European market and a reduction in interest or capital costs for some companies.

Among the indirect benefits, the study identified those that may not be felt immediately after joining the euro area and whose effects may be uneven. The overall effects of the introduction of the euro, such as increased foreign trade, increased foreign direct investment, and, most importantly, improved economic performance and living standards, were the main reasons for the creation of the euro and Slovakia's decision to join the euro area.

The study also examined the disadvantages associated with the introduction of the euro. For example, it identified the loss of independent monetary policy as a major disadvantage of joining the euro area; however, this was likely not a major concern for Slovakia because its ability to use monetary policy to stabilise its real economy was already low. The direct costs of the technical conversion of financial systems and cash changeovers are also considered disadvantages. Other threats mentioned in the study were price increases after the introduction of the euro, either as a long-term increase in inflation above the euro area average or as an immediate jump in the price level and a corresponding reduction in the value of savings or pensions.<sup>11</sup>

As far as *ex post* views are concerned, despite the lack of a comprehensive study by public authorities, it can be concluded that predictions regarding the prevailing benefits have been fulfilled. Despite the loss of monetary sovereignty, the inflow of foreign investment, currency stability, the elimination of exchange rate risk, increased average economic growth, and low inflation were repeatedly cited as benefits.<sup>12</sup> At the same time, fear of significant increases in the prices of goods and services did not materialise.<sup>13</sup>

<sup>10</sup> Šuster, 2006.

<sup>11</sup> Šuster, 2006, pp. 2–3.

<sup>12</sup> Bukov, 2018.

<sup>13</sup> Vlnková and Rojek, 2019, p. 8.

## 2. The banking union and its implementation in Slovakia

The European Banking Union (EBU) was launched in response to the 2008/2009 crisis. However, this was not a greenfield project, as its predecessor in 2010/2011 was the European System of Financial Supervision.<sup>14</sup> The main objective of the European System of Financial Supervision was to ensure that the rules applicable to the financial sector were properly applied to preserve financial stability, promote confidence in the financial system as a whole, and provide adequate protection to users of financial services.

The legal basis for the establishment of the European System of Financial Supervision (the ESFS) was provided by regulations by the European Parliament and the Council adopted at the end of 2010, which established that the ESFS would come into effect on 1 January 2011. The ESFS comprises the European Systemic Risk Board (ESRB), European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA) and European Securities and Markets Authority (ESMA).

Building on the common ESFS framework, efforts to strengthen and complete banking unions in response to the crisis have gradually intensified. The main objectives of the EBU are to ensure adequate risk diversification across Member States, build stable confidence in the banking sector, and support the functioning of the monetary union.<sup>15</sup> The EBU consists of three pillars: a single supervisory mechanism (SSM), a single resolution mechanism (SRM), and a single deposit insurance scheme (SDIS).

### 2.1. *Single Rulebook*

In terms of timing, the introduction of the EBU was preceded by the adoption of the CRR/CRD IV package. These were fundamental changes to banking regulation, adopted as (i) Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (CRR) and (ii) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to credit institutions and prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (CRD IV).

Together, the CRR and CRD IV form a comprehensive package that fundamentally changes banking regulations. As the CRR and CRD IV significantly altered the previously existing system, structure, and content of banking regulations, it was necessary to approach their transposition into national legislation at the level of

<sup>14</sup> Šimonová, 2012, p. 137.

<sup>15</sup> Čunderlík et al., 2017, p. 182.

the Member States, and thus also at the level of Slovakia, in the most consistent manner.<sup>16</sup>

Implementation in Slovakia has occurred at several levels. First, there was an amendment to Act No. 483/2001 on banks, which was implemented in Act No. 213/2014, and most of its provisions came into force on 1 August 2014. According to the explanatory memorandum, the implementation of the CRD IV and CRR was mainly aimed at introducing new international Basel III standards into banking regulations in the context of the financial crisis, which revealed shortcomings in the functioning of banks and the procyclical mechanisms that contributed to its occurrence. The Slovak legislature assumed that the introduction of these stricter requirements for banks and securities dealers would reduce the risk of failure, which would contribute to greater stability of the financial systems in both Slovakia and the EU as a whole.

The need for multilevel implementation is reflected in the question of which authority carries out certain tasks under the CRR and how. In many places, the CRR obliges a Member State or competent authority to choose a certain procedure or introduce an exception. These are the so-called ‘options and national discretion’ (ONDs); that is, the (national) powers of a Member State or competent authority have the ability to choose between two or more options or introduce derogation from a certain procedure. In other words, they can introduce rules that deviate from underlying regulations. It was necessary to analyse which of these provisions are enforceable only on the basis of the text of the CRR and therefore do not require any further interpretation (so-called ‘case-by-case’ or ‘individual ONDs’), and which of these provisions need to be elaborated in national legislation (so-called ‘general ONDs’). At the same time, it was necessary to determine the level at which the relevant provisions of the CRR should be elaborated on in national legislation (e.g. acts, decrees, measures). This national legislation became the NBS measure<sup>17</sup> based on an enabling provision in the Act on Banks. The purpose of this measure was to specify the selected general national authorisations under the CRR and apply the individual national requirements, limits, methods, levels, coefficients, percentages, ratios, and other rules derived from the CRR.<sup>18</sup>

## ***2.2. The Single Supervisory Mechanism***

The SSM was established by Council Regulation (EU) No. 1024/2013 on 15 October 2013 conferring specific tasks to the ECB concerning policies relating to the prudential supervision of credit institutions. The SSM is a system of financial

<sup>16</sup> Oravec, 2015, p. 7.

<sup>17</sup> Measure of the NBS of 9 December 2014 establishing national elections for institutions under a special regulation. This measure was later repealed and replaced by the Measure of the NBS of 14 November 2017.

<sup>18</sup> Oravec, 2015, p. 8.



supervision composed of the ECB and competent national authorities of participating Member States; that is, the NBS in Slovakia.

The NBS is the only national financial market supervisor that supervises credit institutions either directly or in cooperation with the ECB. The legal basis for the powers and duties of the NBS in supervising credit institutions in Slovakia is provided by several legal acts; namely: (i) Act No. 566/1992 on the National Bank of Slovakia, (ii) Act No. 747/2004 on financial market supervision, and (iii) Act No. 483/2001 on banks.

As a member state of the Eurozone, Slovakia is required to participate in the SSM. The essence of the SSM is cooperation between the ECB and competent national authorities (i.e. the NBS) in the supervision of credit institutions, which are divided from a prudential perspective into significant and less significant credit institutions. The ECB is responsible for the effective and consistent functioning of the SSM.

The group of significant credit institutions comprises more than 100 entities, including three Slovak banks (Slovenská sporiteľňa, a.s., Tatra banka, a.s., and Všeobecná úverová banka, a.s.), which belong to this group for the purposes of the SSM because they are the three most significant credit institutions in the Slovak Republic.<sup>19</sup> Other less significant credit institutions remain under the supervision of national authorities (the NBS); however, this does not mean that they are not subject to the SSM. Indeed, the ECB exercises certain powers over all credit institutions operating in SSM Member States.

Cooperation between the NBS and the ECB is also reflected in the fact that, in the case of these less significant credit institutions, the NBS is required to notify the ECB of any material supervisory action, to further assess certain aspects of the action at the request of the ECB, and to submit material proposals for supervisory decisions to the ECB, on which the ECB may issue an opinion. Additionally, in well-defined cases, the ECB may decide to exercise direct supervision over a less significant credit institution if this is necessary for the consistent application of a high level of supervision. This may be the case, for example, if the credit institution is close to reaching one of the criteria that would qualify it as a significant institution or if the competent national supervisory authority has failed to follow the ECB's instructions in the exercise of supervision.

The ECB's specific supervisory powers in relation to all credit institutions include granting and withdrawing the authorisation of credit institutions and assessing the acquisition of a qualifying holding in a credit institution.

<sup>19</sup> In this context, it should be added that these credit institutions (Slovenská sporiteľňa, a.s., Tatra banka, a.s. and Všeobecná úverová banka, a.s.) are subsidiaries of Erste Group Bank AG, Raiffeisen Bank International AG and Intesa Sanpaolo S.p.A., and are referred to within these groups in the ECB's supervisory framework.

### ***2.3. The Single Resolution Mechanism***

The openness of financial markets and the interconnectedness of their players have led to various initiatives aimed at establishing a SRM. At the EU level, Directive 2014/59/EU of the European Parliament and Council, adopted on 15 May 2014, established a framework for the recovery and resolution of credit institutions and investment firms (BRRD).

This Directive was implemented in Slovakia through the adoption of Act No. 371/2014 on resolutions in the financial market, which amended certain acts. The aim was to introduce a new framework for the prevention and resolution of potential financial market crises, which was developed at the EU level in response to the financial crisis. It demonstrates the significant scale and different forms of risks in the financial market, where the complexity of interconnectedness creates the possibility of a systemic crisis in the event of the failure of a single financial institution, which can be transmitted to the entire financial system.

The Act regulates the procedures of selected institutions in resolving financial market crises and the preparation and approval of financial market resolution plans in the Slovak Republic by the newly established Resolution Board, which has the status of a national resolution authority. At the same time, the Act provides for the establishment and functioning of the National Resolution Fund (the 'National Fund').

Thus, the Resolution Board exercises resolution powers in Slovakia. It is responsible, among other things, for on-site and remote supervision as well as for acting and deciding on resolution proceedings. In these proceedings, the Resolution Board decides on the imposition of a resolution measure, which may take the form of the sale of a business, an asset separation tool, or a bail-in tool. Although the Resolution Board, as the national resolution authority, has significant power to intervene in the property rights of creditors and shareholders, its primary role is to prevent crises in selected institutions.<sup>20</sup>

Establishing a National Fund is an important step. Selected institutions – banks and securities dealers with share capital of at least EUR 750,000 – were required to participate in the resolution by paying contributions to finance an effective resolution. Specifically, these selected institutions were required to pay an annual contribution and an extraordinary contribution to the National Fund. The annual contribution is determined by the Resolution Board in consultation with the Ministry of Finance and the Deposit Guarantee Fund in a manner specified by law, so that the accumulated resources of the National Fund reach the target level of 1% of the covered deposits of selected institutions operating in Slovakia in the transitional period until 31 December 2024.

The resources of the National Fund may only be used to the extent necessary to finance an effective resolution; namely, for: (i) guaranteeing the liabilities of the customers of a selected institution or the liabilities of a selected institution under

<sup>20</sup> Satinová and Slezáková, 2014, p. 13.

resolution; (ii) providing loans to a selected institution or its subsidiaries; (iii) providing funds to a bridge institution and an asset management vehicle free of charge and on a no-return basis; (iv) paying compensation to shareholders or creditors; (v) providing funds to a selected institution instead of writing off its debt or converting the liabilities of certain creditors if the bail-in tool is applied and the board decides to deprive certain creditors of their right to apply the bail-in tool; (vi) lending funds voluntarily to the financial arrangements of other Member States, (vii) repaying loans, interest on loans, and other costs related to the loans provided to the National Fund; (viii) using the National Fund's resources in any of these combinations.<sup>21</sup>

#### *2.4. Single Deposit Insurance Schemes*

The primary legislation on deposit protection is Directive 2014/49/EU on deposit guarantee schemes, implemented in Slovakia under Act No. 118/1996. The institutional component of Slovakia's statutory deposit guarantee scheme is the deposit guarantee fund. The fund concentrates monetary contributions from banks and branches of foreign banks to provide compensation for deposits placed with banks and branches of foreign banks and uses them in accordance with the Act. The scope of compensation provided by the fund has been amended several times by law in recent years. For the sake of clarity, the following three decisive periods can be outlined. From 1 May 2004 to 31 October 2008, the compensation limit was 90% of the nominal value of the deposit, up to a maximum of EUR 20,000, converted into Slovak crowns according to the exchange rate announced by the NBS on the day the deposits became unavailable. From 1 November 2008 to 29 December 2010, bank deposits were fully guaranteed – that is, they were not subject to any limit; the fund would cover the full amount of unavailable legally guaranteed deposits. As of 30 December 2010, bank deposits of up to EUR 100,000 were protected by the fund.

On 15 October 2015, an amendment to the Act came into force, according to which the compensation limit of up to EUR 100,000 remained unchanged. However, in certain specific cases, compensation is granted in the full amount of the deposit even if it exceeds the established limit; specifically, this occurs if deposit becomes unavailable within a period of 12 months from the date the deposit was first credited or from the date the deposit became legally transferable if the deposit had a specific origin (e.g. transfer of real estate, inheritance, insurance claim, old-age pension, compensation for damages).

Slovakia's attitude towards the completion of the banking union through the third pillar, a common European deposit guarantee scheme, is rather positive. At the same time, official voices have suggested that a hybrid model based on the co-existence of national deposit guarantee schemes and a common European scheme could be the most promising solution.<sup>22</sup>

<sup>21</sup> Art. 92 para. (4) of the Act on resolutions in the financial market.

<sup>22</sup> European Central Bank, 2023.

Such a compromise could overcome the objections raised by the incomparable capitalisation of national schemes and the problems of banks in selected countries. At the same time, it would partially eliminate the risks associated with the so-called ‘moral hazard’, whereby some states may pay to cover failed deposits in the banks of other states. In Slovakia, we did not observe any significant disagreement between the banking sector and the government regarding a common deposit guarantee scheme.

---

### 3. The monetary aspects of crisis management

Slovakia has been a member of the euro area since 2009 and has thus lost sovereignty over its monetary policy, which is an exclusive competence of the EU according to Art. 3 para.(1) of the TFEU. Unlike before 2008, when the NBS was the monetary authority in Slovakia, as of 1 January 2009, the NBS participated only in the common monetary policy of the EU, which is defined by the ECB for the Eurozone. The Governor of the NBS is a member of the Governing Council, the decision-making body of the ECB, which is responsible for formulating monetary policy for the Eurozone. According to the founding treaties, the primary objective of a single monetary policy is to maintain price stability, thereby contributing to a favourable economic environment and creating conditions for higher employment and sustainable economic growth in the medium term. Therefore, the monetary policy power of the NBS is limited.

Nevertheless, the NBS still has certain powers. For example, it can issue banknotes and coins to manage the circulation of money in Slovakia or impose sanctions. However, in terms of monetary policy in times of crisis, whether triggered by the COVID-19 pandemic, armed conflict in Ukraine, or inflation, Slovakia has applied EU measures.

The ECB’s main monetary policy instrument is the interest rate range.<sup>23</sup> This area has experienced relatively turbulent development in recent years, with the interest rate on the main refinancing operations and the base interest rate of the ECB remaining at 0.00% from 2016 to 2022. Since July 2022, the Governing Council has continuously decided to increase it at almost every meeting; currently, it is 4.5%.

The Governing Council’s decision to keep the interest rates unchanged at its meeting in October 2023 brought some cooling to this area. The Governing Council justified this decision by stating that the key ECB interest rates were maintained at the same levels for a sufficiently long duration, making a substantial contribution to achieving the 2% medium-term inflation target. At the same time, the Governing Council sent a clear message by stating that its future decisions would ensure that

<sup>23</sup> Slezáková, Slezák and Nádaský, 2018, p. 21.

the key ECB interest rates would be set at sufficiently restrictive levels for as long as necessary.<sup>24</sup>

Other instruments, such as signalling the future stance of monetary policy, asset purchases, and longer-term refinancing operations, which have helped ease the constraints imposed by the existence of a lower bound on nominal interest rates over the past decade, will remain an integral part of the ECB's toolkit and will be used as appropriate.

In recent years, quantitative easing – that is, asset purchases in advance of interest rate increases in times of crisis – has emerged as an important monetary policy tool. One of the ECB's most notable examples of quantitative easing was the Asset Purchase Programme (APP), which it launched to achieve its 2% inflation target. The Governing Council decided to discontinue net asset purchases under the APP as of 1 July 2022. At the same time, however, the Governing Council indicated that it intends to continue reinvesting, in full, in the principal payments from maturing securities purchased under the APP for an extended period of time after raising the key ECB interest rates and, in any case, for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation. Regarding the Pandemic Emergency Purchase Programme (PEPP), the Governing Council intends to reinvest the maturing principal payments from securities purchased under this programme until at least the end of 2024.<sup>25</sup>

---

## 4. Conclusions

There is no doubt that Slovakia, as a member of the euro area, has limited sovereignty in monetary policy. Joining the euro area in 2009 entailed a partial loss of monetary sovereignty for Slovakia, as monetary policy fell under the exclusive competence of the EU. However, there is no question of a complete loss of sovereignty as Slovakia, like other Eurozone countries, participates in common European monetary policy. For example, Slovakia follows the decisions of the Governing Council of the ECB (e.g. on interest rates and asset purchases), in which the governor of the NBS also participates.

In the area of banking policy, Slovakia, as a member of the euro area, participates in the first two pillars of the banking union: the SSM and the SRM. Although competencies in this area are shared between the ECB and NBS, it can be concluded that there are no major conflicts in the exercise of these competences between these (European and national) authorities.

<sup>24</sup> European Central Bank, 2023.

<sup>25</sup> *Kažimír podporuje, aby ECB ukončila kvantitatívne uvoľňovanie v lete, 2022.*

With regard to the possible conflict between European and national regulations and the relationship between competencies in the adoption of new legislation, we highlight the new regulation of cash payments in Slovakia. With effect from 1st July, 2023, Title Two of the Constitution was amended by Constitutional Act No. 241/2023 in such a way as to guarantee the use of cash as legal tender. Consequently, everyone has the right to pay for goods and services in cash – cash payments may only be refused for reasonable or generally applicable reasons. In any case, banks and branches of foreign banks do not have the right to refuse cash payments.

It follows that the National Council has systematically enshrined the right to pay cash at the constitutional level in the Constitution, which regulates fundamental rights and freedoms. Since July 2023, the right to pay cash has become fundamental in Slovakia. However, this move by the Slovak legislature raises questions about whether such a regulation might interfere with the EU's exclusive competence in monetary policy. To implement the Constitution, a special law was adopted to define the conditions and limits for the exercise of the right to pay cash. However, at present (October 2023), the only restriction in force is laid down in Act No. 394/2012, which limits cash payments to a maximum of EUR 15,000.

Although at first glance it may seem that the abovementioned constitutional provisions fall within the sphere of monetary policy, we believe that such a conclusion cannot be drawn automatically. In our view, this is essentially a question of the way in which payments for the purchase of goods and services are made without encroaching on the EU's exclusive competence for the euro area's monetary policy. At the same time, this regulation essentially confirms the *status quo* because according to Art. 128 paras. (1) and (2) of the TFEU, only banknotes issued by the ECB and national central banks have the exclusive status of legal tender within the EU. Member States may also issue euro coins subject to approval by the ECB of the volume of issue. Of course, European regulators may have a different view on the subordination of this issue to the content of the concept of monetary policy.

In any case, it should be noted that, from a substantive point of view, a similar regulation is being prepared by the EU itself, at the level of which a proposal for the Regulation of the European Parliament and of the Council on the legal tender of euro banknotes and coins was presented on 28 June 2023. The motivation for this proposal is based, *inter alia*, on a judgment of the Court of Justice of the EU of 26 January 2021 which clarified that the concept of 'legal tender' mentioned in Art. 128 para. (1) of the TFEU is a concept of EU law that must be given an autonomous and uniform interpretation throughout the EU. The Court also held that the concept of 'legal tender' as a means of payment denominated in a currency unit signifies 'that means of payment cannot generally be refused in settlement of a debt denominated in the same currency unit, at its full face value, and without any surcharges for the payer, with the effect of discharging the debt'. Finally, the Court stated that an obligation to accept euro banknotes and coins may, in principle, be restricted by Member States that use the euro for reasons of public interest and pursuant to their competences outside of the area of monetary law and policy and other exclusive EU

competences, provided that those restrictions are justified by a public interest objective and proportionate to it.<sup>26</sup>

This proposal for the regulation is based on similar principles as the Slovak constitutional provision on cash payments; that is, it (i) confirms the legal tender status of euro banknotes and coins, (ii) provides for their mandatory acceptance, at full face value, with the effect of discharging a payment obligation, (iii) provides for exceptions to the principle of the mandatory acceptance of euro banknotes and coins, and (iv) establishes the obligation on Member States to ensure sufficient and effective access to cash throughout their territory in all their regions, including in urban and non-urban areas.<sup>27</sup>

26 See: CJEU, 26 January 2021, C-422/19 and C-423/19, *Hessischer Rundfunk*, ECLI:EU:C:2021:63, paras. 45, 46, 67 and 68.

27 European Commission, Proposal for the Regulation of the European Parliament and of the Council on the legal tender of euro banknotes and coins, COM(2023) 364 final, p. 21.

## Bibliography

- Babčák, V., Cakoci, K., Štrkolec, M. (2022) *Základy slovenského finančného práva*. Ružomberok: EPOS.
- Bukov, P. (2018) 'Euro na Slovensku oslavuje 10 rokov. Jeho hodnotenie nie je zďaleka jednoznačné', *Denník N*, 30 July. [Online]. Available at: <https://dennikn.sk/blog/1192121/euro-na-slovensku-oslavuje-10-rokov-jeho-hodnotenie-nie-je-zdaleka-jednoznacne/> (Accessed: 30 October 2023).
- Čunderlík, L., Daudrih, J., Heseková, S., Mazúr, J., Rakovský, P. (2017) *Právo finančného trhu*. Bratislava: Wolters Kluwer.
- Daudrih, J., Szakács, A. (2022) *Colné právo a menové právo*. Bratislava: Wolters Kluwer.
- European Central Bank (2023) 'Monetary policy decisions' *Press Release*, 26 October. [Online]. Available at: <https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.mp231026~6028cea576.en.html> (Accessed: 30 October 2023).
- Koreň, M. (2020) 'Rezort financií podporuje vytvorenie európskeho systému ochrany bankových vkladov', *Euroactiv*, 11 December. [Online]. Available at: <https://euractiv.sk/section/ekonomika-a-euro/news/rezort-financii-podporuje-vytvorenie-europskeho-systemu-ochrany-bankovych-vkladov/> (Accessed: 30 October 2023).
- Oravec, P. (2015) 'Transpozícia CRR/CRD IV a národné oprávnenia', *Biatec*, 23(6), pp. 7–8.
- Satinová, P., Slezáková, Z. (2014) 'Národný rezolučný orgán a jeho oprávnenia', *Biatec*, 22(10), pp. 11–13.
- Slezáková, A., Slezák, P., Nádaský, A. (2018) *Konanie vo veciach dohľadu – Vybrané právne aspekty regulácie konania vedeného Národnou bankou Slovenska*. Praha: Wolters Kluwer.
- Šimonová, J. (2012) *Právna regulácia finančného trhu v Slovenskej republike*. Trnava: Typi Universitatis Tyrnaviensis.
- Šuster, M. (ed.) (2006) *Vplyv zavedenia eura na slovenské hospodárstvo*. Bratislava: Národná banka Slovenska.
- Tomášek, M. (2007) *Evropské měnové právo*. 2nd edn. Praha: C. H. Beck.
- Vlnková, M., Rojek, D. (2019) 'Desať rokov používania eura v hotovostnom peňažnom obeh', *Biatec*, 27(1), pp. 8–13.
- Kažimír podporuje, aby ECB ukončila kvantitatívne uvoľňovanie v lete (2022)* *TREND*, 18 February. [Online]. Available at: <https://www.trend.sk/spravy/kazimir-podporuje-aby-ecb-ukoncila-quantitativne-uvolnovanie-lete> (Accessed: 30 October 2023).