

Notice No. 10/95

Pursuant to the provisions of Article 156 (2) and (3) of the Legal Framework of Credit Institutions and Financial Companies (hereinafter called the “Legal Framework”), approved by Decree-Law no. 298/92 of 31 December, reworded by Decree-Law no. 246/95 of 14 September and the guiding principles set out in Annex II to Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994, on deposit guarantee schemes, the Banco de Portugal stipulates the following:

1. Credit institutions having their head office in other E Member States which have a branch in Portugal and want to be members of the Deposit Guarantee Fund because they comply with the conditions prescribed in Article 156 (2) of the Legal Framework, shall apply for membership to the Fund, mentioning the complementary cover requested.

2. The application shall be accompanied by the following documents:

a) Regulations governing the guarantee scheme of which the credit institution is a member, certified by it or by the supervisory authority of the home country;

b) Statement justifying the requested complementary cover;

c) Credit balance in euros at the end of each month of the year prior to the date of application of deposits taken in Portugal to be included in the complementary cover.

3. The decision shall be incumbent on the Fund and shall be notified to the applicant institution within two months of receipt of the application or, should it be the case, of receipt of the supplementary data requested to the institution or to the home country guarantee scheme or to the home country supervisory authority.

4. The Fund shall only deny the benefit of guarantee to any applicant institution that does not comply with the requirements.

5. The notification shall mention the complementary cover offered as well as the amount of the initial contribution and of the first annual contribution to be paid to the Fund by the institution and relative payment dates.

6. As soon as participation in the Fund is notified to the institution, the Fund shall agree with the guarantee scheme of the home Member State the adequate rules and procedures governing the repayment to depositors at such branch.

7. Responsibility is assumed by the Fund as of payment of the initial contribution and shall in any circumstance be restricted to the difference between the guarantee offered by the Fund and the guarantee offered by the scheme of which the credit institution is a member in the home country, even if such scheme does not make any repayment of deposits taken in Portugal.

8. - The establishment of the amounts of the initial, annual and special contributions shall be made pursuant to the respective legal rules and regulations, taking into account the complementary cover offered.

9. The multiplying factor utilised for the determination of the brackets of the annual contribution shall be adjusted, so as to cover the difference between the limits and scope of the guarantee in force in Portugal and in the home Member State.

10. If a credit institution does not comply with the obligations incumbent on it as a member of the Fund, the home country supervisory authority shall be notified by the Fund, to ensure that the credit institution complies with its obligations within one month.

11. If those measures fail to secure the credit institution's compliance with the aforementioned obligations, the Fund may, with the express consent of the home country supervisory authority give 12 months' notice of its intention of excluding the credit institution from membership of the scheme.

12. Should the case mentioned in Article 156 (5) of the Legal Framework occur, the institution shall continue to be bound to make annual contributions while the guarantee of deposits taken by it remain and according to their amount.

13. The Fund shall adequately and forthwith advertise the withdrawal of the complementary cover of deposits in the branch, without prejudice to the provisions of Article 156 (4) of the Legal Framework.

14. Any institution that voluntarily decides to withdraw from the Fund shall be subject to the provisions of Article 5 of the Regulations of the Fund.

15. The institution shall forthwith advertise its withdrawal from the Fund in one of the most widely read newspapers in Portugal.

16. This notice has legal effect since 1 July 1995.