

## **Notice no. 11/94**

*(Note: This Notice is an updated version, incorporating all changes introduced by Notices Nos. 9/95, 3/96, 4/96, 11/2003, 5/2004, 6/2004 and 7/2005)*

Pursuant to the provisions of Article 161 (3) of the Legal Framework of Credit Institutions and Financial Companies, approved by Decree-Law no. 298/92 of 31 December and after consultation with the Management Committee of the Deposit Guarantee Fund (hereinafter called the “Fund”) and with associations representing credit institutions, the Banco de Portugal Stipulates the following:

1. - The amount of the annual contribution of each member institution shall be based through the application of a rate on the average amount of monthly credit balances of deposits over the previous year, not considering those excluded under Article 4 (2) of the Regulations governing the Deposit Guarantee Fund, approved by Executive Order no. 285-B/95 of 19 September.  
*(Rewording introduced by Notice No. 9/95, published in the Supplement of Official Gazette, Series II, No. 217, of 19 September 1995).*
2. - The average amount of the monthly credit balances of deposits in the year is given by the average of the credit balances of deposits at the end of each month. Deposits denominated in foreign currency shall be converted into euros at the exchange rate prevailing on the last working day of the month.
3. - The rate for the calculation of the annual contribution to the Fund shall be fixed by an instruction of Banco de Portugal, at up to 0.2%, on an annual basis, after hearing the Management Committee and the associations representing participating credit institutions.  
*(Wording introduced by Notice No. 7/2005, published in the Official Gazette, Series I – B, No. 108, of 6 June 2005)*
4. - The rate for each member institution is assessed on the basis of its average solvency ratio over the previous year, according to the brackets fixed by the Banco de Portugal.

5. - The brackets of annual contributions shall be fixed taking into account the ranges and the multiplying factors mentioned below:

<b>Average solvency ratio</b>	<b>Multiplying factor (percentage)</b>
ASR < 8	1.20
$8 \leq \text{ASR} < 10$	1,10
$10 \leq \text{ASR} < 12$	1.0
$12 \leq \text{ASR} < 14$	0.9
$\text{ASR} \geq 14$	0.8

*(Rewording introduced by Notice No. 11/2003, published in the Official Gazette, Series I – B, No. 222, of 25 September 2003).*

6. - The average solvency ratio of each institution is based on the average solvency ratios, calculated on an individual basis, with reference to 30 June and 31 December of the previous year.

7. - The rates referred to in 3 and 4 above may be adjusted whenever justified by developments in the structure of the financial system or by the financial equilibrium of the Fund; adjustments shall be communicated by the Banco de Portugal to the member credit institutions.

8. - The basic rate to be applied on each year shall be fixed until 30 September of the previous year within the range referred to in 3 above.

9. - *(Revoked by Notice no. 3/96, published in the Official Gazette, Series II, No.162, of 15 July 1996).*

10. - Member credit institutions shall report to the Banco de Portugal, until the end of February, the amount of the credit balances of deposits referred to in 1 above, at the end of each month of the previous year.

11. - The Banco de Portugal shall check the values referred to in the foregoing paragraph and shall notify member institutions of the amount of the respective annual contribution to be paid to the Fund up to the last working day of the month of April, without prejudice to the provisions of paragraphs 12 and 13.

*(Rewording introduced by Notice No. 9/95, published in the Supplement of Official Gazette, Series II, No. 217, of 19 September 1995).*

12 - Up to a maximum of 75% of the annual contributions, the upper limit up to which member credit institutions may

replace the payment mentioned in the foregoing number with an irrevocable commitment to pay the whole or part of the amount, at any time as required by the Fund, shall be fixed by an Instruction of the Banco de Portugal.

*(Rewording introduced by Notice No. 9/95, published in the Supplement of Official Gazette, Series II, No. 217, of 19 September 1995 and by Notice 4/96, published in the Official Gazette, Series II, No. 219, of 20 September 1996).*

13. - *(Rewording introduced by Notice No. 6/2004, published in Official Gazette, Series I-B, No. 304, of 30 December 2004).*

13.1 – The commitment envisaged in the foregoing paragraph shall be guaranteed by a pledge, in favour of the Fund, of negotiable securities in active secondary markets, with adequate liquidity and issued or guaranteed by the following entities:

- a) Central government of zone A countries;
- b) Central banks of zone A countries;
- c) European Communities;
- d) European Investment Bank;
- e) Bank for International Settlements;
- f) Multilateral development banks and their subsidiaries.

13.2 – At the request of the participating credit institution, duly warranted, the Fund may accept temporarily as pledge other debt securities, provided that they have adequate liquidity, are issued by low credit risk entities and are negotiated in active secondary markets.

13.3 – The concepts of zone A countries and multilateral development banks are those defined in paragraph 5 of Part I of the Annex to Notice No. 1/93.

14. The payment of the annual contribution can be made through certificates of deposit created in consequence of the new reserve requirement system, established in Notice no. 7/94 of 19 October 1994, published in the Official Gazette no. 246, Series II of 24 October 1994.

*(Rewording introduced by Notice No. 9/95, published in the Supplement of Official Gazette, Series II, No. 217, of 19 September 1995).*

15. *(Rewording introduced by by Notice No. 9/95, published in the Supplement of Official Gazette, Series II, No. 217, of 19 September 1995).*

15.1 - Member institutions that have branches in another EU Member State shall make a complementary contribution relating to the second half of 1995 in relation to deposits taken by those branches.

15.2 - Member institutions shall report to the Banco de Portugal, within one month as of the date of publication of Decree-Law no. 246/95 of 14 September, the value of the credit balances of the deposits in each of the branches mentioned in the foregoing paragraph, not considering those excluded under paragraph 1 of this notice.

15.3 - The Banco de Portugal shall check the values referred to in the foregoing paragraph and shall notify member institutions of the amount of the respective complementary contribution, to be paid to the Fund up to November 14, 1995.