



## **Savings Bank Act (SpG; Sparkassengesetz)**

### **Long title**

Federal Act of 24 January 1979 on the regulation of the savings bank sector (SpG Sparkassengesetz)

### **Original version:**

Federal Law Gazette No. 64/1979

### **Amendments:**

Federal Law Gazette No.: 325/1986, 326/1986, 10/1991, 458/1993, 532/1993, 22/1995, 304/1996 (in the version published in Federal Law Gazette 680/1996 (typographical corrections)); From 1997 in Federal Law Gazette I unless otherwise stated: 184/1998, 15/2001, 97/2001, 45/2004, 48/2006, 141/2006, 108/2007, 22/2009, 152/2009, 184/2013, 117/2015, 43/2016, 118/2016, 107/2017

## **Text**

### **Definitions**

**Article 1.** (1) "Savings banks" are legal persons established under private law by municipalities or savings bank associations. They shall be considered as credit institutions in accordance with the licence granted to them on the basis of the provisions of the Banking Act (BWG; Bankwesengesetz), published in Federal Law Gazette No 532/1993 as amended. Savings banks are entities by virtue of their legal form pursuant to Article 2 of the Company Code (UGB; Unternehmensgesetzbuch) and must be entered into the Commercial Register.

(2) "Municipalities", "savings bank associations" and well as other kinds of legal and natural persons are fundamentally excluded from participation in the assets or profits of a savings bank. They may participate in the profit or loss only by means of instruments that can be considered for own funds purposes, which fulfil the requirements of Part Two of Regulation (EU) No 575/2013, and in the assets only through instruments that fulfil the requirements for Tier 1 capital pursuant to Article 25 of Regulation (EU) No 575/2013.

(3) "Savings bank in the legal form of a stock company" are credit institutions that have been created by converting the undertaking or the partial operation responsible for banking activities into the form of a stock company. For such entities, Articles 2, 23 and 24 (including the **Annex** to Article 24 – Audit Code for Savings Banks), and Articles 28 and 29 shall apply subject to the proviso that all provisions that refer to the Sparkassenrat shall refer to the supervisory board.

### **Municipal savings banks**

**Article 2.** (1) Municipal savings banks are savings banks established by municipalities within their own area of autonomy. The municipality shall be liable for all liabilities of the savings bank accrued up until 2 April 2003 as guarantor in the case of default in the event of incapacity to pay pursuant to Article 1356 of the General Civil Code (ABGB; Allgemeines Bürgerliches Gesetzbuch); in the event that several municipalities having collectively established a savings bank they shall be jointly and severally liable. For all liabilities accrued after 2 April 2003 until 1 April 2007 the municipality shall only be liable as a guarantor in the case of default in the event of incapacity to pay pursuant to Article 1356 ABGB, provided that the agreed terms do not extend beyond 30 September 2017. For all liabilities accrued after 1 April 2007, the municipality/municipalities shall no longer be liable. The extent of the liabilities that are addressed by the liability of the municipality/municipalities shall be reported by the municipal savings bank on an annual basis as of the balance sheet date. Liabilities arising from bonds with conversion rights should be

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presented in aggregated form. In the case of liabilities where differing effective material maturities exist, the expected residual period may be applied if they have been calculated according to generally accepted statistical rules. It shall be taken into account that pay-outs must always be debited against the amounts that were deposited first. The necessary provisions shall be held for contingent rights. The plausibility of this list, that the available financial means of the municipal savings bank for covering risks as well as the resulting probability of claims by the municipality/municipalities shall be audited by the auditing unit of the Sparkassen-Prüfungsverband while auditing the annual financial statement. The findings of this audit shall be included in a separate audit report on liabilities. This shall be submitted to the management board of the municipal savings bank at the same time as the audit report on the annual financial statement. The management board of the municipal savings bank shall submit the audit report on liabilities at latest within six months of the end of the financial year to the municipality/municipalities and to the FMA. In the event of incapacity to pay by a savings bank in the legal form of a stock company (Article 1 para. 3) the liability of the municipality extends to cover the savings bank, which has transformed its company or the banking operations into a savings bank in the legal form of a stock company, as well as the liabilities of the savings bank in the legal form of a stock company. Upon entry of the transformation of the transferring savings bank into a private foundation pursuant to Article 27a the municipality shall be liable in accordance with para. 2a.

(2) The liable community shall make sufficient share capital available to the savings bank at no charge to allow it to commence business operations, which shall be sufficient to cover the expected expenses for the establishing of the savings bank and required for the business operations for the first three financial years. The initial capital shall remain in the savings bank and shall not be repaid.

(2a) If the transferring savings bank is transformed into a private foundation, the liability of the municipality pursuant to para. 1 shall be restricted to the amount of liabilities that had accrued until the next balance sheet date following the entry of the transformation in the Commercial Register, including contractual obligations arising from contingent rights that already existed on that basis. The municipal savings banks shall report the amount of the liabilities addressed by the liability of the municipality/municipalities in writing on an annual basis as of the balance sheet date. Liabilities arising from bonds with conversion rights should be presented in aggregated form. In the case of liabilities where differing effective material maturities exist, the expected residual period may be applied if they have been calculated according to generally accepted statistical rules. It should be taken into account that pay-outs must always be debited against the amounts that were deposited first. The necessary provisions shall be held for contingent rights. The plausibility of this list, that the available financial means of the savings bank in the legal form of a stock company and of the private foundation for covering risks as well as the resulting probability of claims by the liable municipality/municipalities shall be checked by the auditing unit of the Sparkassen-Prüfungsverband during the auditing of the annual financial statements. The findings of this audit shall be included in a separate audit report on liabilities. This report shall be submitted to the management board of the savings bank in the legal form of a stock company at the same time as the prudential report. The management board of the savings bank in the legal form of a stock company shall submit the audit report on liabilities at latest within six months of the end of the financial year to the liable community/communities, the management board of the private foundation and to the FMA.

(3) The liable community shall take all measures listed in this federal act that fall within the area of its autonomy.

### **Association-based savings banks**

**Article 3.** (1) Association-based savings banks are savings banks founded by savings bank associations (Article 4).

(2) The founder members of the savings bank association shall make sufficient initial capital (Article 2 para. 2) available at no charge. The initial capital shall remain in the savings bank and shall not be repaid.



### Savings Banks Association

**Article 4.** (1) Savings bank associations are associations, the purpose of which is to establish a savings bank and to fulfil the duties listed in Article 9. Other regulations under association law shall not apply to them.

(2) Savings bank associations shall neither be allowed to collect membership contributions, nor to receive any kind of contributions from members of the association or from third parties. The association's necessary expenditure shall be covered by the savings bank.

### Statutes

**Article 5.** (1) The founding members shall notify the FMA in writing about the formation of the association including submitting its statutes.

(2) In particular the statutes shall determine:

1. The nature of the formation of the association and its renewal;
2. The name, purpose and place of incorporation of the association;
3. The association's means and how they are to be raised;
4. The admission and withdrawal of members of the association;
5. The bodies of the association;
6. The appointment and rules of procedure of the arbitration panel (Article 11);
7. The dissolution of the association.

(3) The statutes shall be submitted to the FMA. At the request of the association, the FMA shall officially confirm submission. Anyone may consult the copy of the statutes lodged at the FMA and take copies of them. The FMA shall create a database by 1 January 2004 containing the statutes of the savings bank associations, and shall also allow the data contained in this database to be accessed via the Internet.

(4) The FMA shall prohibit the establishment of the association, if the statutes do not conform to the requirements set out in this federal act, or are otherwise in contravention of laws or regulations. The prohibition of establishment must be issued within six weeks of the notification by means of an administrative decision.

(5) If the establishment of the association is not prohibited within this period of time, or if the FMA has already confirmed that it will not prohibit the formation of the association, the association may commence its activities. If the director of the association is not elected within six months following expiry of the period for prohibiting establishment, then the notification of the establishment of the association shall be deemed to be retracted. The election of the director of the association shall be notified to the FMA.

(6) The FMA shall, if requested by the association, confirm the existence of the association, in accordance with the content of the submitted statutes.

(7) Paras. 3, 4 and 6 shall also apply accordingly for an amendment of the statutes.

### Formation and Replacement

**Article 6.** (1) The statutes shall determine the maximum number of members of the association; the minimum number of members of the association shall be thirty; the total number of members of the association that are simultaneously employees of the savings bank, of savings banks in the legal form of a stock company or the private foundation pursuant to Article 27a, shall not be permitted to exceed one third of the total number of members of the association. In the event that the number of members of the association falls below the minimum permitted number, the next meeting of the association (Article 10 para.. 1) shall take the necessary measures regarding the admission of additional members.

(2) Members of the association may only be legally responsible natural and legal persons. Persons who have been excluded from exercising a trade pursuant to Article 13 paras. 1 to 6 Commercial Code 1994 (GewO 1994 - Gewerbeordnung 1994) published in Federal Law Gazette No. 194/1994 may not be considered.

(3) Membership ceases to exist in the event of one of these requirements ceasing to apply, or as a result of death, resignation or exclusion.



### **Rights and obligations of members of the association**

**Article 7.** (1) The members of the association shall be authorised to participate at the general assembly of the association and to cast votes. The founder members are also subject to the obligation in accordance with Article 3 para. 2.

### **Bodies of the association**

**Article 8.** (1) The bodies of the association are the general assembly of the association and the director of the association; the director of the association represents the association.

(2) The general assembly of the association is formed by the entire membership.

(3) The director of the association and their deputies, who represent the director of the association in the event that he/she is indisposed in an order that is to be determined, shall be elected by the meeting of the association from among its ranks for a term of six years; re-election is permitted.

### **Duties of the general assembly of the association**

**Article 9.** (1) The general assembly of the association shall confirm the statutes in an unchanged form to those notified to the FMA, and shall pass a resolution to establish the savings bank. In the initial meeting of the general assembly of the association, the director of the association and their deputy shall be elected. The director of the association shall as authorised representative conduct all measures necessary for the establishment of the savings bank.

(2) Once the savings bank has been founded, the general assembly of the association shall be responsible for:

1. decisions in the form of a resolution regarding the amendment of the statutes;
2. the admission to membership and withdrawal of members of the association;
3. the election of the director of the association, their deputy and the other members of the Sparkassenrat (Article 17 para. 7);
4. the drawing up of the articles of association of the savings bank;
5. the acceptance of the report on the financial statements drawn up by the Sparkassenrat, the approved management report of the savings bank as well as the report on the formation of reserves pursuant to Article 22 para. 2;
6. the approval of a resolution by the Sparkassenrat in relation to the merger or dissolution of the savings bank;
7. the approval of a resolution of the management board and the Sparkassenrat regarding the transformation of the entity or its banking operations pursuant to Article 92 BWG into a savings bank in the legal form of a stock company or regarding the transformation of a savings bank into a private foundation that had previously transferred its undertakings or its banking operations into a savings bank in the legal form of a stock company;
8. the resolution regarding the dissolution of the association;
9. the approval of a resolution of the management board and the supervisory board about the exclusion of beneficiaries and the appointment of further beneficiaries pursuant to Article 27a para. 4 no. 3 as well as resolutions pursuant to Article 27a para. 4 no. 4 and Article 27c para. 4;
10. The approval to dissolve a private foundation arising from the conversion of a savings bank (association-based savings bank) pursuant to Article 3.

### **Holding the general assembly of the association**

**Article 10.** (1) The ordinary general assembly of the association shall be held once a year; extraordinary meetings shall be convened at the request of the FMA, the Sparkassenrat, the management board of the savings bank or at least one-fifth of the members of the association, in writing and specifying reasons.

(2) The general assembly of the association shall in the case of the initial meeting be convened by the chairperson, who shall be elected from among the founder members, or otherwise by the (deputy) director of the association, in writing at least two weeks prior to the specified date, including information about the location, time, purpose and agenda of the meeting; any nominations for elections shall be given. If an extraordinary meeting is not held within four weeks



following a request to convene one, then the applicants to hold one may convene this meeting themselves.

(3) The director of the association or one of their deputies shall chair the general assembly of the association; in the event that none of these are present at the meeting, then the general assembly of the association shall elect a chairperson for this meeting by means of a simple majority of votes cast.

(4) The general assembly of the association shall have quorum, if all members have been invited in an orderly manner, and at least half of the other members are present. In the event that the latter condition is not met at the appointed starting time of a general assembly, then the general assembly of the association shall have quorum regardless of the number of members present, provided that the invitation to the meeting advises that this shall be the case.

(5) A simple majority of votes cast is required for a resolution to be valid; abstention shall not count as having cast a vote. In the event of votes cast being tied, the vote of the chairperson shall be deemed to be the casting vote. For the purposes of a valid resolution pursuant to Article 9 para. 2 nos. 1, 4, 6, 7, 8, 9 and 10 a two-thirds majority of votes cast shall be required.

(6) Minutes shall be taken at the general assembly of the association, and shall be signed by the chairperson. They shall in particular contain a list of all participants and the results of all votes held.

### **Arbitration of disputes arising from internal relationships within the association**

**Article 11.** (1) All disputes arising from internal relationships within the association shall be settled by an arbitration panel, comprised of two arbitrators and a chairperson. The appointment and rules of procedure of the arbitration panel shall be defined in the statutes.

### **Dissolution of the association**

**Article 12.** (1) The general assembly of the association may only pass a resolution to dissolve the association, if it has previously voted to dissolve or merge the savings bank, and the liquidation or merger of the savings bank has been carried out. If the savings bank has been transformed into a private foundation pursuant to Article 27a para. 1, then a resolution on the dissolution of the association may only take place once the private foundation has been dissolved.

(2) The FMA may dissolve the association, if the general assembly of the association does not fulfil its legal duties despite prior written warning, or if the association exceeds its field of activity set out in the statutes, or otherwise if it does not re-establish the requirements for its legal existence with an appropriate period of time set by the FMA.

(3) When dissolving the association pursuant to para. 2, the FMA shall appoint an expert liquidator, whose profession is that of an attorney or an auditor. The liquidator shall be compensated by the FMA in a manner commensurate to the work involved in the liquidation and the expenses incurred for this purpose. The liquidator shall be authorised to submit invoices for each previous quarter as well as after the termination of their activities. The FMA must pay compensation without delay after reviewing the invoice.

(4) The legal dissolution of the association pursuant to para. 2 causes the dissolution of the savings bank; in the event that the savings bank was transformed pursuant to Article 27a para. 1 into a private foundation, the non-appealable dissolution of the association causes the dissolution of the private foundation. This shall not apply if a savings bank association has been newly established within the last twelve months for the purpose of continuing the operations of the savings bank or the private foundation.

(5) The dissolution of the association shall be notified to the FMA, and shall be published by the FMA in the Official Gazette of the Wiener Zeitung ("*Amtsblatt zur Wiener Zeitung*") or in another official gazette with circulation throughout Austria.

### **Articles of association of the savings bank**

**Article 13.** (1) Every savings bank shall be required to have a set of articles of association, which in the case of a newly established community savings bank shall be drawn up by the liable community (Article 2 para. 1), or by the savings bank association in the case of an association-based savings bank (Article 3 para. 1).

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- (2) The articles of association shall in particular contain the following information:
1. the name and place of incorporation of the savings bank;
  2. the business purpose of the savings bank;
  3. the type of savings bank;
  4. in the case of a municipal savings bank, the names of all the municipalities that assume liability for the liabilities of the savings bank;
  5. in the case of municipal savings banks with several liable communities, the number of members of the Sparkassenrat broken down into the individual liable communities;
  6. the number of members of the Sparkassenrat;
  7. the number of members and deputy members of the management board;
  8. the form of publications of the savings bank.
- (3) The articles of association may specify and determine for individual types of banking transactions, in particular for lending business, maximum limits (individual liabilities and allocation limits), maturities and collateral, which kinds of lending business require the approval of the Sparkassenrat.
- (4) All amendments to the articles of association must be notified in writing to the FMA without delay.
- (5) The savings bank shall not exist prior to entry in the Commercial Register. In the event that anyone acts on behalf of the savings bank beforehand, then the persons acting shall be personally liable as the joint and several debtors.

### **Bodies of the savings bank**

- Article 14.** (1) The bodies of the savings bank are the management board and the Sparkassenrat.
- (2) For the activities of members of bodies who are not members by virtue of an employment relationship at the savings bank, only the reimbursement of expenses and payment of fees for attending meetings shall be permitted. The amount of the attendance fee shall not be allowed to exceed an amount that is commensurate to the duties of the members of the bodies and the scope of the business activities of the savings bank. Employee representatives shall only be entitled to claim for reimbursement of appropriate cash expenditures.
- (3) The Sparkassenrat and its committees may consist of a maximum of one-third of the members of the representation of the municipality in the liability community/communities or of the municipality in which the savings bank is incorporated; members who have been delegated by the works council that are also at the same time are members of the representation of the municipality, shall not be counted as such in this case.

### **Personal reliability of the members of the bodies**

- Article 15.** (1) Only legally responsible natural persons shall be allowed to belong to a body of a savings bank.
- (2) The provisions of Article 5 para. 1 BWG shall apply to the members of the management board of savings banks.
- (3) The following persons shall be excluded from membership of the Sparkassenrat:
1. Employees of the savings bank, with the exception of members of the Sparkassenrat appointed by the central company works council (works council);
  2. Persons who have been excluded from exercising a trade pursuant to Article 13 paras. 1 to 6 of the 1994 Austrian Commercial Code (GewO 1994 - Gewerbeordnung).
- (4) The articles of association may prescribe additional reasons for exclusion.

### **Management board**

- Article 16.** (1) The management board shall be personally responsible for managing the business conducted by the savings bank. It shall consist of two to seven members, who shall be appointed by the Sparkassenrat for a fixed period of time, for a maximum period of five years; reappointments are permitted.



- (2) The members of the management board must be full-time employees of the savings bank. The Sparkassenrat may appoint full-time employees of the savings bank as alternate members of the management board, who shall be counted towards the number of members of the management board stipulated in para. 1. The rules for the members of the management board shall also apply for alternate members of the management board.
- (3) The vote of the chairman of the management board, who shall be appointed by the Sparkassenrat, shall be considered as the casting vote in the event of votes being tied, unless otherwise determined in the statutes.
- (4) The Sparkassenrat may revoke the appointment to the management board for important reasons, in particular in the event of a gross breach of duty. The revocation shall be effective, provided that a court (Article 14 of the Stock Corporation Act of 1965, (AktG; Aktiengesetz, Federal Law Gazette No. 98/1965) has not ruled in a final manner that the revocation is ineffective. Claims arising from the employment contract remain unaffected by the revocation.
- (5) The management board shall draw up rules of procedure, including a breakdown of activities, and which shall be presented to the Sparkassenrat to be decided upon by resolution.
- (6) The management board is the supervisor of all employees of the savings bank. The management board may, with the approval of the Sparkassenrat grant complete power of representation.
- (7) The members of the management board shall conduct their business with the diligence of a prudent director. They shall be obliged to make good any damages incurred by the savings bank as joint and severally liable debtors that have occurred as a result of a breach of duty, unless they are able to prove that they have fulfilled their due diligence obligations; such claims for damages have a period of limitation of five years.
- (8) The management board shall report regularly to the Sparkassenrat, as a minimum on a quarterly basis, about the state of business and the position of the savings bank, as well as submitting a written report without delay to the chairperson of the Sparkassenrat about significant developments. Such reports shall be submitted at the same time to the (deputy) state commissioner.
- (9) Minutes shall be taken for the meetings of the management board, and shall be signed by the (deputy) chairperson, with the date and location, the participants of the meeting as well as the result of any votes in particular must be recorded.
- (10) Any change in the personnel of the members of the board of management, as well as compliance with Article 15 paras. 1 and 2 shall be notified to the FMA in writing without due delay.

### Sparkassenrat

**Article 17.** (1) The Sparkassenrat shall monitor the activities of the management board.

- (2) In addition, the Sparkassenrat shall also be responsible for:
1. the passing of decisions in the form of a resolution regarding amendments of the statutes;
  2. the appointment and revocation of the appointment of members of the management board including the chairman of the management board, their deputy as well as alternate members of the management board;
  3. the conclusion of and any amendment to employment contracts with members of the management board; the Sparkassenrat shall ensure that the total remuneration of the members of the management board is commensurate to the duties performed by the individual members of the management board and the situation of the savings bank. This also applies accordingly for retirement pensions, survivor's pensions and payments of a similar nature;
  4. The decision in the form of a resolution about the Rules of Procedure for the Sparkassenrat (or committee thereof) and the Rules of Procedure for the management board including the distribution of activities (Article 16 para. 5);
  5. The decision in the form of a resolution about the decision-making framework for credits, in particular in relation to their type and upper limits;
  6. The treatment of the audit reports of the auditing body (Article 24);



7. The drawing-up of the audited financial statements, the approval of the management report as well as the decision by means of a resolution for the allocation of profits, as well as the approval of the acts of the members of the management board;
  8. In the case of association-based savings banks, the submission of the established financial statements, the approved management report and the report on the formation of reserves pursuant to Article 22 para. 2 to the general assembly of the association;
  9. The setting of the attendance fees.
  10. The assertion of claims for compensation for damages against members of the management board;
  11. The decision in the form of a resolution on the merger or dissolution of the savings bank;
  12. The appointment of the liquidators and approval of their acts.
- (3) The decisions of the management board in relation to the transformation of the entity or banking operations pursuant to Article 92 BWG into a savings bank in the legal form of a stock company and well as the adoption of instruments that can be considered for own funds purposes, which fulfil the requirements of Part Two Title II Chapter 4 of Regulation (EU) No 575/2013, shall require the approval of the Sparkassenrat.
- (4) Measures taken by the management board may not be conferred to the Sparkassenrat. The articles of association may however stipulate that certain types of transactions may only be conducted subject to approval by the Sparkassenrat or a committee convened for this purpose pursuant to Article 18 para. 5.
- (5) The resolutions pursuant to para. 2 nos. 11 and 12 and para. 3 regarding the transformation of the entity or banking operations into a savings bank in the legal form of a stock company (Article 92 BWG) shall require approval by the liable communities in the case of community savings banks, and the approval of the general assembly of the association in the case of association-based savings banks.
- (6) The Sparkassenrat shall consist of the chairperson and at least three additional members as well as the members nominated by the works council (central works council). The total number of members of the Sparkassenrat may not exceed thirty members in total.
- (7) The chairperson of the Sparkassenrat shall be elected by the members of the Sparkassenrat from among its own ranks. Article 28a paras. 3 and 4 BWG shall apply.
- (8) The members of the Sparkassenrat shall be elected by the municipal council of the liable communities in the case of community savings banks, and by the general assembly of the association in the case of association-based savings banks (Article 9 para. 2).
- (9) The members of the Sparkassenrat may not allow their duties to be performed by others. The articles of association may however permit that a member of the Sparkassenrat may entrust someone in writing to represent them at a single meeting; members represented by someone else shall not however be counted when determining whether there is a quorum. The right to chair the Sparkassenrat may not be transferred.
- (10) The members of the Sparkassenrat may not concurrently hold a position in the management board of the savings bank.

### Internal arrangements of the Sparkassenrat

**Article 18.** (1) The Sparkassenrat shall select at least one alternative chairperson from among its ranks. The chairman of the savings bank shall notify the FMA of the name of the chairperson and their alternate(s) without delay in writing.

(2) Membership of the Sparkassenrat shall cease as a result of death, resignation, following a pre-requisite for the function no longer being satisfied pursuant to Article 15 or upon expiry of the term of the elected members. In the case of community savings banks, the term of the elected members shall end at the conclusion of the meeting of the Sparkassenrat, at which the decision is passed by resolution for the approval of the audited annual financial statement for the fourth financial year after their election, and in the case of association-based savings banks upon conclusion of the meeting of the association in which the report from the Sparkassenrat on the approved annual financial statement for the fourth financial year following election is received; re-election shall be permitted. In the event that an elected member of the Sparkassenrat stands



down prior to the end of their term of office, then new election shall be effective for the remaining duration of the term of office.

(3) The Sparkassenrat shall meet at least once quarterly. Meetings shall be convened by the Chairperson in writing at least one week in advance, including information about the location, time and agenda of the meeting. The meeting must take place within three weeks following it being convened. A meeting may also be convened without delay, at the request of the FMA, the Sparkassenrat, the management board of the savings bank or at least one-third of the members of the Sparkassenrat, in writing and specifying reasons. In the event that this request is not honoured, then the persons requesting a meeting may convene this meeting themselves.

(4) The Sparkassenrat shall have quorum, if at least one-half of the members are present. A simple majority of votes cast shall be required for a decision by resolution to be valid; abstention shall not count as a vote cast. In the event of votes cast being tied, the vote of the chairperson shall be deemed to be the casting vote. A valid decision by resolution pursuant to Article 17 para. 2 nos. 1 and 11 shall furthermore require the presence of two-thirds of the members of the Sparkassenrat and a two-thirds majority of votes cast. This shall also apply to the approval of a decision pursuant to Article 17 para. 3 regarding the transformation of the entity or its banking operations into a savings bank in the legal form of a stock company (Article 92 BWG). The requirements for minutes to be taken pursuant to Article 16 para. 9 shall apply accordingly.

(5) The Sparkassenrat may make use of committees formed from among its members for the purposes of preparing negotiations and decisions by resolution as well as for the passing of decisions relating to management board affairs pursuant to Article 17 para. 2 no. 3. The Sparkassenrat may also form committees to address issues, which in accordance with Article 17 para. 4 are subject to approval by the Sparkassenrat, in particular loan committees for lending business in accordance with Article 13 para. 3. A member sent as a delegate by the works council shall have a claim to a seat and a vote, provided that the issue is not one pursuant to Article 17 para. 2 no. 3; with regard to delegation, an alternate member may be appointed. The provisions of Article 14 para. 3 shall apply according to the committees established by the Sparkassenrat.

(6) At the meetings of the Sparkassenrat and the committees thereof, for advice in relation to individual issues, in addition to members of the executive board, experts and informed experts may also be consulted. Where decisions are to be taken on matters proposed by the management board, members of the management board shall be requested to report.

(7) The Sparkassenrat shall be represented externally by its chairperson, or in the event that the chairperson is incapacitated by the deputy chairperson.

(8) Article 16 para. 7 shall apply accordingly with regard to due diligence obligations and responsibility of the members of the Sparkassenrat.

## Representation

**Article 19.** (1) The savings bank shall be represented by two members of the management board or by one member of the management board and an authorised representative. The savings bank may also be represented by two authorised representatives with regard to the constraints under commercial law, where its articles of association allow this. Other restrictions regarding the powers of representation of the management board towards third parties shall not apply.

(2) In the event that a declaration of intent is to be submitted by third parties to the savings bank, it shall suffice for this declaration to be made to a single member of the management board.

(3) In legal relationships between the members of the management board and the savings bank itself, the savings bank shall be represented by the Sparkassenrat.

## Asserting of a claim for liability

**Article 20.** The FMA may make claims for damages in the name of and on the account of the savings bank against members

1. of the Sparkassenrat and
2. of the management board, if the management board does not include the Sparkassenrat; the rights of the bankruptcy trustee to exert claims for the compensation of creditors against the bodies of the savings bank remain unaffected.



### Annual result

**Article 22.** (1) The savings bank shall draw up an annual financial statement for every completed financial year (balance sheet, profit-and-loss account and notes) as well as a management report. The resulting profit following the formation of the liability reserve (Article 57 para. 5 BWG) as well as a profit brought forward, less a loss brought forward, shall in accordance with the assignment of the shares in the profit for the instruments that participate in the profit or loss pursuant to Article 1 para. 2 shall be assigned to the reserve for contingencies, to the permissible reserves in accordance with provisions relating to income tax law as well as reserves for special operational usages of the savings bank (special reserves) or to be brought forward to a new account. The initial capital of the savings bank and the bound reserve pursuant to Article 229 UGB shall be considered on equal terms to the reserve for contingencies.

(2) In addition to the reserves pursuant to para. 1, a general purposes reserve may also be formed (dedicated reserve). The percentage of the profits that shall be allowed to be assigned to the dedicated reserve, shall as a maximum be the proportion by which the available eligible capital exceeds the own funds requirements pursuant to Article 92 of Regulation (EU) No 575/2013; this amount shall not be allowed to exceed 30 % of the profit.

(3) For savings banks that have transferred their undertakings or their banking operations into a savings bank in the legal form of a stock company, the own funds of the savings bank in the legal form of a stock company and the profit of such savings banks shall form the basis for the calculation of the dedicated reserve.

(4) The usage of the dedicated reserve shall be notified to the FMA once a year in writing.

### Accounting

**Article 23.** (1) The financial year of the savings bank shall directly correspond to the calendar year.

(2) Article 43 para. 2 BWG shall also be applied to savings banks, which have transferred their undertakings or their banking operations into a savings bank in the legal form of a stock company.

(3) The management board shall supply the annual financial statement (consolidated financial statement) including the management report (consolidated management report) to the auditing body (Article 24 para. 3) without delay. Following the conducting of the audit by the auditing body, the annual financial statement (consolidated financial statement), the management report (consolidated management report) and a recommendation for the usage of profit shall be submitted to the Sparkassenrat; otherwise the provisions of the BWG shall apply with regard to accounting.

*(Note: para. 4 was repealed in Article I no. 26 of the amendment published in Federal Law Gazette No. 326/1986.)*

### Sparkassen-Prüfungsverband

**Article 24.** (1) The Sparkassen-Prüfungsverband (auditing association) to be established in accordance with this federal act shall be a corporation under public law incorporated in Vienna. The following establishments shall be obliged to belong to the auditing association, as its sole members:

1. Savings banks (Sparkassen);
2. Savings banks in the legal form of a stock company;
3. Private foundations pursuant to Article 27a as well as the assets designated by them that have a separate legal personality;
4. Legal successor entities of the members listed pursuant to nos. 1 to 3;
5. Credit institutions incorporated in Austria that are subsidiaries of the members listed in nos. 1 to 3, and which together belong to an institution protection scheme (IPS) pursuant to Article 113 (7) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, OJ L 176, 27.06.2013, p. 1, last amended by Implementing Regulation (EU) No 2015/2326, OJ L 328, 12.12.2015 p. 108;



6. Credit institutions incorporated in Austria that are subsidiaries of the members listed in nos. 1 to 3, and which are members of the Austrian Association of Savings Banks (Fachverband der Sparkassen).

(2) Article 24 (including the **Annex** to Article 24 - Audit Code for Savings Banks) shall apply for the members pursuant to para. 1 nos. 2 to 6 provided that the provisions relating to the Sparkassenrat refer to the supervisory board or the comparable supervisory body, or in the case that such a supervisor body has not been established, to the management board of the respective member.

(3) The purpose of the auditing association shall be to house an auditing body (Article 1 of the **Annex** to Article 24 – Audit Code for Savings Banks) for conducting audits in accordance with para. 4, other audits, and activities and inspections of an audit-like nature that are conferred upon it in accordance with other provisions set out in federal acts. The auditing body is an auditing organisation established on a not-for-profit basis. Furthermore, the auditing body shall cooperate with the competent deposit guarantee facilities for its members within the scope of the early warning system pursuant to Article 1 para. 4 of the Deposit Guarantee Schemes and Investor Compensation Act (ESAEG; Einlagensicherungs- und Anlegerentschädigungsgesetz), as published in Federal Law Gazette I no. 117/2015, as well as the sectoral facilities and shall exchange necessary information for this purpose with these facilities.

(4) Audits within the scope of this federal act shall be:

1. the auditing of the annual financial statement;
2. special audit activities;
3. audits pursuant to Article 2 paras. 1 and 2a;
4. audits pursuant to Article 27a para. 4 no. 7.

for members of the auditing association (para. 1) and sub-foundations and funds in the case of private foundations pursuant to para. 1 no. 3.

(5) The members shall cover the total expenditure of the auditing association by collecting sufficient contributions as well as value and time-related charges.

(6) The amount of the contributions shall be determined on the basis of the total assets of the individual member as at 31 December of the preceding year, for which all the audited financial statements of the members exist.

(7) The bodies of the auditing association shall be the management board, the supervisory board and the general assembly.

(8) The management board shall be personally responsible for managing the business conducted by the auditing association and for managing the auditing body. The management board shall consist of two or three members, who shall be appointed by the general assembly for a maximum period of five years; reappointments shall be permitted. The members of the management board must be employed on a full-time basis by the auditing association and must satisfy the requirements contained in Article 2 paras. 2 and 2a of the Audit Code for Savings Banks.

(9) The supervisory board shall in particular be responsible for:

1. passing a decision by resolution for the Rules of Procedure for the management board including the distribution of responsibilities;
2. the establishing of an executive committee for preparing the selection of the members of the management board and the advisory board;
3. reviewing and passing a decision by resolution about the annual budget and the assessment of the annual accounts of the auditing association.

(10) The statutes shall prescribe that certain types of transactions as well as the appointment of authorised signatories shall only be allowed to be conducted with the approval of the supervisory board. Measures concerning management may not however be transferred to the supervisory board.

(11) The supervisory board shall consist of a minimum of three members up to a maximum of ten members. The members of the supervisory board shall be elected by the general assembly for a maximum period of five years. Prior to being elected the proposed candidates shall present proof of their expert qualification, their professional or comparable functions, as well as any prevailing circumstances, which could give rise to cause for concern regarding partiality to the general assembly. No-one may be elected as a member of the supervisory board, who has previously



been convicted of a criminal offence that would place their professional propriety in doubt. Anyone who is, or who within the last three years was, a member of the management board, auditor or a member of the senior management of a member institution pursuant to para. 1, may not be a member of the supervisory board. The members of the supervisory board may not concurrently be members of the management board of the auditing association. They may not also manage its business as an employer. The activity as a member of the supervisory board of the auditing association shall not be considered when calculating the number of activities in accordance with Article 5 para. 1 nos. 9a BWG and Article 28a para. 5 no. 5 BWG.

(12) The executive committee shall consist of the chairperson of the supervisory body and both of their deputies.

(13) The general assembly shall in particular be responsible for:

1. the definition and amendment of the articles of association of the auditing association;
2. the election of the chairperson of the general assembly and their alternate;
3. the appointment and removal of members of the management board; removals shall be taken without delay if the requirements for their appointment set out in Article 2 paras. 2 and 2a of the Audit Code for Savings Banks are no longer met; an appointment shall be made without delay in the event that the management board consists of less than two members;
4. the election of members of the supervisory board;
5. the determination of contributions and the fee rates;
6. the approval of the annual budget, activity report and the financial statement of the auditing association;
7. the decision by resolution on the approval of the acts of the management board and the supervisory board.

(14) Every member pursuant to para. 1 shall have one vote at the general assembly for every EUR 10 million of total assets commenced. The voting right shall be held by the Sparkassenrat of the savings bank and in the case of a member pursuant to para. 1 nos. 2 to 6 the supervisory board or comparable supervisory body of the respective member. If a member pursuant to para. 1 nos. 3 to 6 has not established a supervisory board or a comparable supervisory body, then the voting right shall be held by the management board of the member. The voting right shall be exercised by a representative authorised in writing by the competent supervisory body under law or in accordance with the articles of association, or by the management board of the member in the case that no supervisory board or comparable supervisory body has been established.

(15) The general assembly convened in an orderly manner shall have quorum if at least one-half of the members are present and those present hold at least more than half of the votes determined pursuant to para. 14. If this is not the case, the general assembly shall only commence one hour after the point of time set when it was convened. It shall then have quorum regardless of the number of members and votes present, provided that this circumstance was advised about in the convening of the general assembly. The general assembly shall pass its decisions by resolution with a simple majority of valid votes submitted; abstention shall not count as having cast a vote. In the event of a tie, the resolution shall be deemed to have been rejected. A two-thirds majority of all valid votes cast shall be required for resolutions pursuant to para. 13 nos. 1 and 2.

(16) The Federal Minister of Finance shall appointment a (deputy) state commissioner to the auditing association, who shall be invited punctually and in writing to attend all supervisory board meetings and the general assembly. Article 29 shall apply.

### Supervision of the Sparkassen-Prüfungsverband

**Article 24a.** (1) Appointments and removals of members of the management board of the auditing association pursuant to Article 24 para. 13 no. 3 shall require approval by the Federal Minister of Finance. In the event that the removal or appointment of members of the management board of the auditing association does not occur within three months in the event where the conditions of Article 24 para. 13 no. 3 are met, then the Federal Minister of Finance shall undertake the removal or appointment.

(2) The determining and amending of the articles of association of the auditing association pursuant to Article 24 para. 13 no. 1 shall require approval by the Federal Minister of Finance.



(3) The auditing association shall be subject to supervision by the Federal Minister of Finance, to whom upon request at all times all documentation and information shall be submitted, and inspection rights to the bookkeeping records and information granted.

### Merging of savings banks

**Article 25.** (1) Savings banks may be merged without recourse to liquidation by absorption or by formation of a new entity. In the case of a merger by formation of a new entity, every savings bank entering into the merger shall be classed as the transferring savings bank.

(2) If the acquiring savings bank is a savings association and the transferring savings bank a community savings bank, then claims on the basis of the suretyship provided by the liable community/communities for the liabilities of the transferring community savings bank shall expire five years following the transfer of rights (para. 4).

(3) The merger contract shall be drawn up in writing. If the merger occurs in the form of the formation of a savings bank as a new entity, then in the case of a community savings bank Article 2, and in the case of a savings association Article 3, shall apply accordingly.

(4) The management board of every savings bank involved shall notify the merger for entry into the Commercial Register held in the place of incorporation of their savings bank. Upon entry of the merger into the Commercial Register held in the place of incorporation of the transferring savings bank, the assets of the transferring savings bank as well as any debts shall be transferred to the acquiring savings bank and the transferring savings bank shall cease to exist. In the case of a merger by means of a new formation, the merger shall only be allowed to be entered into the Commercial Register, once the newly formed savings bank has been entered into the Commercial Register. Upon entry of the newly formed savings bank, the assets of the transferring savings banks including debts shall be transferred to the acquiring savings bank and the transferring savings banks shall cease to exist. Article 226 of the Stock Corporation Act 1965 (AktG; Aktiengesetz 1965) in the currently applicable version shall apply accordingly with regard to the protection of creditors.

### Voluntary dissolution

**Article 26.** (1) The voluntary dissolution of a savings bank shall require a decision passed by resolution by the Sparkassenrat; such a decision by resolution shall only become effective in the case of community savings banks following approval by the representation of the municipality/municipalities in the liability community/communities and in the case of association-based savings banks following approval by the general assembly of the association (Article 9). The management board shall then notify about the dissolution of the savings bank for the purpose of this being entered into the Commercial Register.

(2) The dissolution shall take place following the liquidation (Article 27). The Sparkassenrat shall appoint two liquidators; they shall meet the requirements for members of bodies (Article 15) and must provide assurances that the liquidation shall occur in an orderly manner. The liquidators shall notify the FMA of their appointment and revocation, as well as for entry into the Commercial Register.

(3) The Sparkassenrat shall revoke the appointment if the conditions for the appointment of the liquidators are no longer met. Article 16 para. 7 shall apply accordingly with regard to the due diligence obligations and responsibility of the liquidators.

(4) In the event that an appointment pursuant to para. 2 does not occur within two months, then the court shall appoint the missing liquidator(s) as the request of the FMA. Furthermore, upon request by the FMA, the court shall appoint liquidators, if the persons otherwise appointed for the purpose of liquidation are unable to ensure an orderly liquidation process. If an appointment pursuant to para. 2 does not take place within two months, or if the FMA considers that the persons appointed for the purpose of liquidation are unable to ensure orderly liquidation process, the FMA shall request the competent court of first instance in commercial matters with jurisdiction over the credit institution's place of incorporation to appoint suitable liquidators; this court shall rule on the case except in the case of disputes.



### Liquidation

**Article 27.** (1) The liquidators shall request creditors of the savings bank to exert their claims while mentioning that the savings bank is to be dissolved, which shall be published three times in the official gazette "*Amtsblatt zur Wiener Zeitung*" or in another official gazette with a nationwide circulation.

(2) The liquidators shall draw up a liquidation plan, and shall implement the plan following approval by the Sparkassenrat. The liquidation plan shall in particular contain information about how and until when the liabilities of the savings bank are expected to be met. The liquidators shall determine the dates for the repayment of deposits, and shall publish these dates in particular through publication in the official gazette "*Amtsblatt zur Wiener Zeitung*" or in another official gazette with a nationwide circulation.

(3) The liquidators shall report based on a quarterly basis to the Sparkassenrat and the FMA about the implementation of the liquidation plan and other liquidation issues. Otherwise the liquidators shall possess within their area and activities the rights and obligations of the management board and shall be monitoring by the Sparkassenrat.

(4) Article 210 paras. 3 and 4 and para. 5 first sentence and Article 211 AktG 1965 shall apply accordingly. Rights of representation shall cease to be effective; this shall be entered in the Commercial Register at the same time as the dissolution of the savings bank.

(5) Where there are no longer any liabilities existing than obligations in relation to recurring benefits, then the liquidation process may be concluded, provided that the creditors are provided with adequate security about these obligations. In the event that a creditor does not announce his claim within one year of announcement (para. 1), then the amount due to him shall be deposited in the court. In the event that a liability cannot be settled or is contested, then security must be provided.

(6) The liquidator shall be remunerated adequately in relation to the work associated with the liquidation and the expenses incurred. The liquidator shall be authorised to submit accounts for the preceding quarter year as well as upon termination of their activities; the accounts shall be audited by the Sparkassenrat. Remuneration and miscellaneous costs of liquidation shall be covered from the liquidation fund.

(7) The residual assets remaining once all liabilities known to the savings have been settled or guaranteed shall be transferred to the liable community/communities in the case of community savings banks, and in the case of association-based savings banks to the community in which it was incorporated and shall be used for general purposes. The FMA shall be notified once a year in writing about the usage of the assets.

(8) Once the liquidation has been completed, the liquidators shall submit a set of final accounts to the Sparkassenrat and shall apply for their acts to be approved. Once they have had their acts approved, they shall submit a concluding report to the FMA, and once the report has been approved, shall apply to have the savings bank deleted from the Commercial Register. The liquidators shall notify the FMA of the deletion of the savings bank from the Commercial Register.

### Change of legal form into a private foundation

**Article 27a.** (1) Savings banks, which have incorporating their undertaking or their banking operations in to a savings bank in the legal form of a stock company, may by means of a decision by resolution of the management board of the savings banks convert the entity into a private foundation pursuant to the Private Foundations Act (PSG; Privatstiftungsgesetz), published in Federal Law Gazette No. 694/1993 in the currently valid version in accordance with the following provisions (change of legal form). For such private foundations Article 21, Articles 27a to 27c and Article 41 shall continue to apply.

(2) The change of legal form pursuant to para. 1 shall require the approval of the Sparkassenrat, with a valid decision by means of a resolution may only be achieved in the presence of at least two-thirds of the members and by means of a two-thirds majority of votes cast.

(3) The management shall establish a deed of foundation for the foundation; this shall be notified to the FMA without delay.

(4) The following shall apply for the private foundation:



1. The savings bank shall be considered as the founder; it may not reserve the right for itself to change the deed of foundation, to set up a supplementary foundation deed and to revoke the private foundation or other substantial rights; in the case of a private foundation that has been established as a result of a change of legal form of a savings bank in accordance with Article 3, the general assembly of the association shall exercise the founders rights pursuant to the PSG, provided that this federal act does not prescribe other arrangements;
2. the private foundation shall be established on a permanent basis;
3. the foundation deed shall list one or more beneficiaries by name or a group of beneficiaries, the scope of duties of which shall exclusively be allowed to consist of the pursuit of exclusively not-for-profit, charitable or religious purposes;  
with regard to the definitions of the purposes listed, Articles 34 to 40 of the Fiscal Code (BAO; Bundesabgabenordnung) as published in Federal Law Gazette No. 194/1961 in the currently valid version, shall be applied with the condition that not-for-profit residential property companies shall not be allowed to belong the group of beneficiaries; the management board shall exclude beneficiaries who no longer pursue not-for-profit, charitable or religious purposes; moreover the deed of foundation may prescribe local authorities as beneficiaries, although the orders of the local authorities on the donations to the private foundation shall be required to correspond to the aforementioned purposes; the management board may increase the foundation deed to include further beneficiaries, the scope of whose activities shall also correspond to the aforementioned purposes; the decision by resolution of the management board to exclude beneficiaries or to include further beneficiaries shall require in the event that there is a supervisory board (para. 5) its approval, with a valid decision by resolution only being possible where at least two-thirds of the members are present and with a two-thirds majority of votes cast;
4. the assets of the savings bank arising from the concluding balance sheet (para. 6) shall remain permanently dedicated to the private foundation and shall be conserved; benefits shall only be allowed to be given out of the revenues of the private foundation; in the event that the beneficiary is not personally named in the deed of foundation, then the management board of the private foundation shall be required to identify the beneficiary/beneficiaries as defined in no. 3; in the event that there is a supervisory board (para. 5) the decision by resolution of the management board shall require the supervisory board's approval, with a valid decision by resolution only being possible where at least two-thirds of the members are present and with a two-thirds majority of votes cast;
5. the ultimate beneficiary shall be required to correspond to the group of persons in no. 3;
6. the private foundation may also use the designation "Sparkasse" or a designation that contains the word "Sparkasse" in its name (Article 2 PSG);
7. The formation auditor (Article 11 PSG) and the foundation auditor (Article 20 PSG) is the auditing unit of the Sparkassen-Prüfungsverband, with it not being required to make a special appointment for this purpose; the auditing unit of the Sparkassen-Prüfungsverband may also be appointed as the special auditor (Article 31 PSG); it may when conducting such audits at the request of the private foundation allow this to be conducted by a foundation auditor as defined in Article 20 PSG;
8. the transformation of a private foundation into a foundation in accordance with the Federal Act of Foundations and Funds of 2015 (BStFG 2015; Bundes-Stiftungs- und Fondsgesetz 2015), as published in Federal Law Gazette I No. 160/2015 shall not be permitted; it may however be permitted, for the purposes of the BStFG 2015 and the requirements set out therein to establish sub-foundations or sub-funds of a private foundation.

(5) The following shall apply for the management board and the supervisory board of a private foundation:

1. The previous members of the member of the management board of the savings bank and the previous members of the Sparkassenrat shall become members of the initial management board of the private foundation, whereby in the case of a private foundation formed by means of the change in legal form of a savings bank founded in accordance with Article 2, the number of management board members that belong to the management board of a savings bank in the legal form of a stock company shall not be allowed to exceed one-third of the total number of members of the management board of the private



foundation; if as a result of this provision it is not possible for all members of the management board of the savings bank to become member of the management board of the private foundation, then it shall be determined in the deed of foundation which previous members of the management board of the savings bank shall become members of the management board of the private foundation; if pursuant to no. 3 or pursuant to Article 22 PSG a supervisory board is to be appointed, then the previous members of the Sparkassenrat shall not become members of the initial management board but shall instead become members of the initial supervisory board of the private foundation;

2. the appointment of subsequent or additional members of the management board of the private foundation shall in the case of the existence of a supervisory board be conducted by the supervisory board, otherwise it shall be undertaken by the remaining members of the management board of the private foundation; a valid decision by resolution shall only be possible with the presence of at least two-thirds of the members and a two-thirds majority of votes cast; the number of members of the management board, who shall belong to the management board of a savings bank in the legal form of a stock company, shall, in the case of a private foundation formed by means of a change in legal form of a savings bank founded in accordance with Article 2, not exceed one third of the total number of members of the management board of the private foundation;
3. A supervisory board shall be appointed in the case of a private foundation formed by means of a change in legal form of a savings bank founded in accordance with Article 3; with the exception of the initial supervisory board the members of the supervisory board shall be elected by the general assembly of the association.

(6) The management board shall draw up a closing balance sheet that conforms to Articles 189 to 216 UGB. Article 220 para. 3 AktG shall apply accordingly. The management board shall submit the closing balance sheet to the FMA without delay.

(7) Upon the notification of the entry of the private foundation into the Commercial Register (Article 12 PSG) the management board of the savings bank shall submit the closing balance sheet and an audit report as defined in Article 11 PSG.

### Effect of the Entry of the Transformation in the Commercial Register

**Article 27b.** (1) Upon entry into the Commercial Register the savings bank shall continue to exist as a private foundation; Article 92 para. 9 BWG shall be applicable for the private foundation.

(2) Savings bank associations shall continue to exist as savings association following transformation.

(3) The private foundation shall remain part of the sectoral association in accordance with Article 92 para. 7 BWG.

(4) The court (Article 40 PSG) shall deliver the decision by resolution about the entry of the private foundation to the FMA.

### Merger

**Article 27c.** (1) Private foundations pursuant to Article 27a may only be merged without recourse to liquidation by absorption.

(2) If the transferring private foundation has been created by means of a change of legal form of a savings bank founded pursuant to Article 2, then lapsed claim on the basis of the liability of the community/communities set out in Article 2 para. 2a to the acquiring private foundation shall cease five years after the transfer of rights (para. 5).

(3) The merger contract shall be drawn up in writing.

(4) The decision by means of a resolution by the management board about the merger shall require the approval of the supervisory board where one exists, with a valid decision being achieved in the presence of at least two-thirds of the members and by means of a two-thirds majority of votes cast. The beneficiaries of the transferring private foundation shall become the beneficiaries of the acquiring private foundation.

(5) The management board of every private foundation shall notify about the merger for entry into the Commercial Register held for the place of incorporation of their private foundation. Upon entry of the merger into the Commercial Register of the place of incorporation of the transferring private



foundation, the assets of the transferring private foundation as well as any debts shall be transferred to the acquiring private foundation and the transferring private foundation shall cease to exist. Article 226 of the Stock Corporation Act 1965 (AktG; Aktiengesetz 1965) in the currently applicable version shall apply accordingly with regard to the protection of creditors.

### Note for the following provision

See Article 44 para. 4 about the time frame for applicability.

### Supervisory authorities

**Article 28.** (1) The supervision of savings banks shall be exercised by the FMA, as defined in the Financial Market Authority Act (FMABG; Finanzmarktaufsichtsgesetz), published in Article I of Federal Law Gazette I no. 97/2001.

(2) The FMA may request information about all issues relating to the savings bank from the bodies of the savings bank, as well as inspecting the bookkeeping records, documents and data media of the savings bank.

(3) The FMA may, following consultation with the Oesterreichische Nationalbank prescribe by means of a regulation, that the submission, notification, information of and submissions pursuant to Article 2 para. 1, Article 5 paras. 1 and 7, Article 12 para. 5, Article 13 para. 4, Article 16 para. 10, Article 18 para. 1, Article 22 para. 4, Article 26 para. 2, Article 27a paras. 3 and 6, Article 39 para. 2 as well as Article 11 of the Audit Code for Savings Banks (SpG-Prüfungsordnung) may only be made in electronic form using specific formats and conforming to minimum technical requirements and modalities for transmission. In this context, the FMA shall be guided by the principles of economy and expediency, ensuring that the data is electronically available to the FMA and the OeNB at all times and supervisory interests are not compromised. The FMA shall adopt appropriate arrangements to allow individuals subject to reporting requirements or, where applicable, individuals they have charged with submitting the reports on their behalf, to verify over an appropriate period of time whether the reporting data submitted by them or by the person charged with submitting the reports is correct and complete.

### State Commissioner

**Article 29.** (1) For every savings bank, provided it is authorised to conduct banking transactions, and in every savings bank in the legal form of a stock company, the Federal Minister of Finance shall appoint a state commissioner, and as required a deputy state commissioner, who shall meet the requirements set out in Article 76 para. 2 BWG. Prior to appointment of a state commissioner or their deputy, the provincial governor of that province in which the savings bank is incorporated, provided that the total assets of the savings bank do not exceed EUR 7 billion shall be consulted; the governor of the province may provide the Federal Minister of Finance with suggestions regarding the appointment of the state commissioner and their deputy.

(2) The (deputy) state commissioner shall be removed by the Federal Minister of Finance, if one of the requirements set out in Article 76 para. 2 BWG no longer exists, or if a result for removal exists in accordance with Article 76 para. 3 BWG. In the event that a state commissioner does not perform their duties in an orderly manner, then the FMA shall inform the Federal Minister of Finance about this. In justified circumstances, the FMA may apply to the Federal Minister of Finance for the removal or the (deputy) state commissioner.

(3) Otherwise, Article 76 BWG shall be applicable.

### Entries in the Commercial Register

**Article 30.** The management board shall announce any change of any circumstance entered in the Commercial Register and any amend to the articles of association to the Commercial Register Court without delay; the FMA shall submit copies of any administrative decisions to the Commercial Register Court. Article 204 second sentence AktG 1965 shall applying accordingly.



### Coercive penalties

**Article 31.** (1) In the event that a savings bank fails to meet an obligation set out in this federal act, then it shall be requested by means of an administrative decision to comply with its obligation within a reasonable period of time.

*(Note: para. 2 was repealed in Article 41 no. 1 of the amendment published in Federal Law Gazette No. 107/2017.)*

*(Note: Articles 32-37 were)*

### Transitional provisions for the Austrian Savings Bank Association

**Article 38.** The obligations for employees taken over from the Österreichischer Sparkassen- und Giroverband and the Alpenländischer Sparkassen- und Giroverband as well as recipients or retirement and pension recipients from the Austrian Savings Bank Association (Österreichischer Sparkassenverband), who are not entering into an employment relation with the auditing association or are not assigned to one, shall be taken over as a liability obligation by all savings banks to the extent existing as of 31 December 1978 proportionately on the basis of their total assets as at 31 December 1978.

### Credit associations

**Article 39.** (1) The institutions (credit associations) established pursuant to Article 19 point f of the Savings Bank Regulation of 26 September 1844, published in Political Acts and Regulations no. 123, shall continue to exist.

(2) Any amendments to the articles of association shall be notified to the FMA in writing without delay.

(3) When transforming the entity or the business operations of a savings bank pursuant to Article 92 BWG the complete business operations of a savings association existing in this savings bank shall be transformed into a savings bank in the legal form of a stock company, and shall continue to exist as such.

### Continuing validity of legislation

**Article 40.** (1) If the government's legislation refers to provisions, instead of which new provisions become effective with the entry into force of this act, then these references shall relate to the corresponding provisions of this act.

### Entry into force

**Article 42.** (1) This federal act shall enter into force on the first day of the month following its publication.

(2) The following items listed in the version of the federal act published in Federal Law Gazette No. 532/1993 shall enter into force on 1 January 1994:

Article 1 paras. 1 and 3, Article 6 para. 2, Article 9 para. 2 no. 7, Article 14 para. 2, Article 15, Article 20, Article 21, Article 22 paras. 1 and 3, Article 23 paras. 2 and 3, Article 24 paras. 1, 2 and 7, Article 28 para. 2, Article 29 paras. 1, 2, 4 and 5, Article 30, Articles 32 to 37, Article 39 para. 2, Article 41, Article 42, Article 43, Article 44 and Article 45 as well as the following Articles of the **Annex** to Article 24 – Audit Code for Savings Banks: Article 1 para. 2, Article 2 para. 2, Article 3, Article 4 para. 2, Article 5, Article 7, Article 9, Article 10 and Article 12.

(3) Article 29 paras. 1, 2 and 4 as well as Article 44 in the version of the federal act published in Federal Law Gazette No. 22/1995 shall enter into force on 31 December 1994.

(4) Article 1 para. 3 second sentence, Article 2 para. 1, Article 2 para. 2a, Article 6 paras. 1 and 2, Article 9 para. 2 nos. 7 to 10, Article 10 para. 5, Article 12 para. 1 second sentence, Article 12 para. 2 last sentence, Article 13 paras. 4 and 5, Article 15 para. 3 no. 2, Article 21, Article 22 para. 2, Article 23 para. 2, Article 24 para. 2, Articles 27a to 27c, Article 39 para. 2, Article 41, Article 42 para. 4 and Article 43 in the version of the federal act published in Federal Law Gazette I no. 184/1998 shall enter into force on 1 January 1999.

All English translations of the authentic German text are unofficial and serve merely for information purposes. The official wording in German can be found in the Austrian Federal Law Gazette (Bundesgesetzblatt; BGBl.). All translations have been prepared with great care, but linguistic compromises had to be made. The reader should also bear in mind that some provisions of these laws will remain unclear without certain background knowledge of the Austrian legal and political system. Please note that these laws may be amended in the future and check occasionally for updates.



(5) Article 22 para. 4, Article 24 para. 1 second sentence, the repealing of para. 5, para. 8 no. 1 and para. 12 no 4, Article 27a para. 4 no. 3, Article 27c para. 2, Article 42 para. 5 and Article 2 para. 2 of the **Annex** to Article 24 in the version of the federal act published in Federal Law Gazette I No. 15/2001 shall enter into force on 1 April 2001.

(6) Article 24 para. 13 and Article 31 para. 2 in the version of Federal Law Gazette I No. 97/2001 shall enter into force on 1 January 2002.

(7) Article 1 para. 1, Article 2 para. 2a, Article 5 para. 1 and paras. 3 to 6, Article 9 para. 1, Article 10 para. 1, Article 12, Article 13 para. 4, Article 16 para. 10, Article 18 paras. 1 and 3, Article 20, Article 22 para. 4, Article 24 para. 8 nos. 1 and 2, para. 12 no. 1, para. 16 and the repealing of para. 15, Article 24a, Article 26 paras. 2 to 4, Article 27 paras. 1 to 3 and paras. 6 to 8, Article 27a paras. 3 and 6, Article 27b para. 4, Article 28 paras. 1 and 2, Article 29, Article 30, Article 31 para. 1, Article 38, Article 39 para. 2, Article 43 no. 1, Article 44 and the **Annex** to Article 24, Article 6, Article 9 para. 3, Article 10 and Article 11 para. 2 in the version of the federal act published in the version of Federal Law Gazette I no. 97/2001 shall enter into effect on 1 April 2002.

(8) Article 17 para. 8 and Article 44 para. 2 including the heading in the version of Federal Law Gazette I No. 108/2007 shall enter into force on 1 January 2008.

(9) Article 13 para. 2 no. 5 in the version of the federal act published in Federal Law Gazette I No. 22/2009 shall enter into force on 1 April 2009.

(10) Article 28 para. 1 no. 3 and Article 44 para. 4 in the version of Federal Law Gazette I No. 152/2009 shall enter into force on 1 January 2010.

(11) Article 1 paras. 1 and 2, Article 17 para. 3, Article 19 para. 1, Article 22 paras. 1 and 2, Article 27a para. 6 and Article 9 paras. 1 to 3 of the Annex to Article 24 in the version of the federal act published in Federal Legal Gazette I no 184/2013 shall enter into force on 1 January 2014.

(12) Article 24, Article 24a paras. 1 and 2, Article 27a para. 4 and Article 44 para. 5 as well as Articles 1 and 3, Article 4 paras. 1 and 2, Article 6, Article 9 para. 3, Article 10 and Article 11 para. 2 of the Annex to Article 24 in the version of the federal act published in Federal Legal Gazette I No. 43/2016 shall enter into force on 17 June 2016. Article 24 para. 1 no. 6 shall apply for the first time to financial years that begin after 17.06.2016.

(13) Article 31 para. 2 in the version of the federal act amended in Federal Law Gazette I No. 107/2017 shall expire at the end of 2 January 2018.

## Enforcement

**Article 43.** Responsible for the execution of this federal act are:

1. with regard to Article 1 para. 1, Article 13 para. 5, Article 21, Article 25 para. 4, Article 26 paras. 1, 2 and 4, Article 27 paras. 4 and 8, Articles 27a to 27c, Article 30 as well as Article 41, the Federal Minister of Finance in cooperation with the Federal Minister of Justice and
2. with regard to all other provisions, the Federal Minister of Finance.

## Transitional provisions

**Article 44.** (1) The (deputy) state commissioners for savings banks appointed by the provincial governor at the time of this federal act entering into force shall be deemed to have been appointed by the Federal Minister of Finance as defined in the first sentence of Article 29 para. 1.

(2) The deputies of state commissioners pursuant to Article 29 para. 1, who have been appointed for savings banks, the total assets of which at the time of entry into force of the federal act in the version published in Federal Law Gazette I No. 108/2007 does not exceed EUR 1 billion, shall be removed from their function on 31 December 2010, if the total assets of the savings bank in question do not exceed EUR 1 billion based on the asset, income and risk statement pursuant to Article 74 para. 1 on 30 September 2010. In the event that the term of a deputy state commissioner as determined by means of an administrative decision ends prior to this date, then the term shall be extended until 31 December 2010.

(3) Article 17 para. 7 in the version of the federal act published in Federal Law Gazette I No. 108/2007 shall not apply to the chairpersons of a supervisory board of a savings bank, who



are performing this function at the time of entry into force of the Federal Act published in Federal Law Gazette I No. 108/2007, until their term expires, but at latest until after 31 December 2010.

(4) The submission requirements pursuant to Article 28 para. 3 in the version of the federal act published in Federal Law Gazette I No. 152/2009 may also be legally complied with in accordance with the Savings Bank Act in the version of the federal act published in Federal Law Gazette I No. 22/2009.

(5) The articles of association of the auditing association shall be amended by 31 December 2016 at latest to the applicable provisions that enter into force of the provisions of the federal act published in Federal Law Gazette I No. 43/2016. Until the supervisory board has been elected pursuant to Article 24 para. 13 no. 4, the nominations committee shall perform its duties. Until the executive committee has been formed pursuant to Article 24 para. 9 no. 2, the nominations committee shall perform its duties.

**Article 45.** In Article 1 para. 2 and Article 17 para. 3 the references to “Article 12 para. 6 KWG” and “Article 12 para. 7 KWG” shall be replaced by references to “Article 23 paras. 4 and 5 BWG” and “Article 23 para. 7 BWG”;

In Article 9 para. 2 no. 5 and Article 17 para. 2 nos. 7 and 8 the term “company report” shall be replaced by the term “situation report”;

In Article 13 para. 4 and Article 28 para. 1 the term “Banking Act” (Kreditwesengesetz) shall be replaced by the term “Banking Act” (Bankwesengesetz);

In Article 13 para. 4, Article 25 para. 4, Article 26 paras. 1 and 2 as well as Article 27 paras. 4 and 8 the term “Commercial Register” (Handelsregister) shall be replaced by the term “Commercial Register” (Firmenbuch);

In Article 2 para. 1, Article 17 paras. 3 and 5, Article 18 para. 4 and Article 39 para. 3 the wording “the undertaking as a whole” or “undertaking as a whole” shall be replaced by “the undertaking” or “undertaking”;

In Article 2 para. 1 the expression in brackets “(Article 8a KWG)” shall be removed, in Article 17 paras. 3 and 5, Article 18 para. 4 and Article 79 para. 3 (*note: correction Article 39 para. 3*) the reference to “Article 8a” shall be replaced by “Article 92 BWG”; in Article 22 para. 2 the references to “Article 12 para. 2 KWG” shall be replaced by “Article 22 para. 1 BWG” and the term “liability capital” shall be replaced by the term “own funds”.



## Annex to Article 24

### AUDIT CODE FOR SAVINGS BANKS

**Article 1.** (1) The auditing body shall conduct the audits conferred upon it (Article 24 para. 4 SpG) taking into consideration the Audit Code for Savings Banks. It may upon request of the member of the auditing association pursuant to Article 24 para. 1 SpG make use of the services of an external auditor.

(2) The auditing body shall ensure that audits are conducted in an orderly manner by means of suitable organisational measures.

(2a) The mere act of members belonging to the auditing association shall not constitute grounds to suspect the partiality or exclusion of the appointed auditor from the auditing association from conducting the audit. The partiality or exclusion of a member of a body or an employee of the auditing association may not on its own justify the conclusion that another person employed by the auditing body would be partial or excluded, unless the employee or the member of the organ may exercise influence on the outcome of the audit.

(3) The auditing body shall fulfil the administrative tasks of the auditing association conferred upon it in accordance with the statutes.

(4) The auditing body shall be independent from the general assembly and the supervisory board of the auditing association in relation to all auditing activities; it shall only report to the Federal Minister of Finance.

**Article 2.** (1) The management board shall be responsible for the orderly and timely performance of auditors and for the drawing up of audit reports. The management board supervises all employees of the auditing body.

(2) The members of the management board shall be required, in addition to holding a relevant university degree, to also have the necessary fitness and propriety. At least two members of the management board must have been appointed at external auditors pursuant to Article 7 of the Tax Advising and Related Professions Act (WTBG; Wirtschaftstreuhänderberufsgesetz), published in Federal Law Gazette I no. 58/1999; this power may neither have been allowed to lapse pursuant to Article 97 WTBG or have been provisionally prohibited pursuant to Article 99 paras. 1 to 4 WTBG. Article 15 SpG shall apply to the members of the management board, and Article 15 paras. 1 and 3 SpG shall apply to the auditors.

(2a) The provisions of Article 62 BWG, with the exception of nos. 1, 4, 6a and 7 shall apply accordingly as reasons for exclusion for the management board.

**Article 3.** (1) The auditing body shall name the appointed auditor where possible prior to the commencement of the auditor engagement, and shall communicate this in writing to the member of the auditing association in question.

(2) The member of the auditing association shall support the appointed auditors in every possible way. The auditors shall be authorised to inspect the books and documentation of the member in every audit, and to request all necessary explanations and proof.

**Article 4.** (1) The Audit Report on the Annual Financial Statements shall cover the entire administration of the business of the member, in particular its business performance, assets situation, ability to pay, risk situation, the profitability and viability as well as the organisational structure of the member.

(2) The audit shall take into consideration compliance with relevant legal regulations, supervisory instructions and the articles of association of the member.

(3) When auditing the annual financial statement, it shall not only be necessary to determine whether the annual financial statement is legally compliant and conforms to the guidelines of the auditing body as well as agreeing with the accounts and inventory, but furthermore to also check whether generally accepted accounting principles have been adhered to.

*(Note: para. 5 was repealed in the amendment published in Federal Law Gazette No. 532/1993.)*

**Article 6.** The auditing body shall undertake a special audit upon instruction by the FMA as well as at the request of a body of the member of the auditing association, where justified suspicion of irregularities exists and where a significant deterioration of the earnings or risk situation is assumed.



**Article 7.** (1) The audit report on the annual financial statements shall contain a detailed statement about the scope and outcome of the audit. The balance sheet, the profit-and-loss account and clarifications and break-downs of the individual positions in the annual financial statement shall be attached to the report.

(2) The report about a special audit (Article 6) shall be based on the reason for and purpose of the conducted audit.

**Article 8.** The outcome of the audit shall be discussed in detail with the management board, with all significant findings from the audit to be disclosed. The management board shall invite the chairperson of the Sparkassenrat and the state commissioner in writing to the final meeting.

**Article 9.** (1) The report on the annual financial statement shall be concluded with an audit opinion, provided that it may be granted in an unqualified or qualified form, as well as with any addendum to the audit opinion pursuant to Article 274 para. 2 UGB.

(2) The unqualified audit opinion shall be granted pursuant to Article 274 para 1 UGB, where no objections are raised.

(3) If objections are raised, then the audit opinion is to either be issued with qualifications or to be refused. In the event that the audit opinion is refused, the FMA shall be informed in writing without delay. This shall also apply accordingly with regard to the exercising of the obligation to report deficiencies pursuant to Article 273 para 2 UGB.

(4) The audit opinion in the version used by the auditing body shall be included in all publications and copies of the annual financial statement and the management report.

**Article 10.** (1) The auditing body shall submit one copy each of every report about an audit pursuant to Article 24 para. 3 SpG without delay to the chairperson of the Sparkassenrat, to the management board and to the state commissioner of the member being audited as well as to the FMA.

(2) The auditing body may submit the reports pursuant to Article 24 para. 3 SpG in electronic form wherever technically possible to the group of persons listed in para. 1. In this instance, there shall be considered as delivered when they have been transmitted in an orderly electronic manner. This paragraph shall also apply accordingly for their transmission to the competent bodies of a private foundation pursuant to Article 27a SpG.

**Article 11.** (1) The chairperson of the management board shall convene a meeting of the management board without delay following receipt of the audit report, and shall disclose the audit report to them in full. The management board shall set about remedying errors and shortcomings immediately shall submit a detailed written opinion about this issue to the chairperson of the Sparkassenrat.

(2) The chairperson of the Sparkassenrat shall convene the Sparkassenrat at the earliest possible opportunity to address the issue of the audit report and shall give the members of the Sparkassenrat adequate prior opportunities to inspect the audit report and the opinion of the management board (para. 1). The Sparkassenrat shall decide upon a final opinion by the member on the audit report, to be submitted at latest within three months of receipt of the audit report to the FMA the state commissioner and the auditing body.

*(Note: para. 12 was repealed in the amendment published in Federal Law Gazette No. 532/1993.)*



## Transposition Notes:

### Article 1

*(Note: from Federal Law Gazette I No 141/2006 about Articles 6, 10, 24 and 24a as well as Articles 1 and 2 (Audit Code for Savings Banks), Federal Law Gazette No. 64/1979)*

This Federal Act transposes Directive 2006/48/EC of the European Parliament and the Council on the relating to the taking up and pursuit of the business of credit institutions (OJ L 177, 30.6.2006, p. 1) and Directive 2006/49/EC of the European Parliament and the Council on the capital adequacy of investment firms and credit institutions (OJ L 177 of 30.06.2006, p. 201).

### Article 1

*(Note: from Federal Law Gazette I No. 22/2009 ad Article 13, version of Federal Law Gazette No. 64/1979)*

This Federal Act transposes Directive 2007/44/EC of the European Parliament and the Council of 5 September 2007 amending Directive 92/49/EEC of the Council as well as Directives 2002/83/EC, 2004/39/EC, 2005/68/EC and 2006/48/EC with regard to procedural rules and evaluation criteria for the prudential assessment of acquisitions and increase of holdings in the financial sector (OJ L 247, 21.9.2007, p. 1)

### Article 1

#### Transposition Note

*(Note.: from Federal Law Gazette I No 117/2015, about Articles 24 and 31, Federal Law Gazette No. 64/1979)*

This Federal Art transposes

1. Directive 2014/49/EU on deposit guarantee schemes, OJ L 173 of 12.06.2014 p. 149, last corrected by OJ L 309 of 30.10.2014 p. 37, and
2. Directive 97/9/EC on investor-compensation schemes OJ L 84, 26.03.1997, p. 22.

### Article 1

#### Transposition of European Union Directives

*(Note: from Federal Law Gazette I No. 118/2016 to Article 24, version of Federal Law Gazette No. 64/1979)*

This federal act

1. transposes Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 and repealing Directive 2005/60/EC Directive 2006/70/EC, OJ L 141 of 05.06.2015, p. 73, and
2. creates the necessary measures for the enforcement of Regulation (EU) No 2015/847 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006, OJ L 141, 05.06.2015, p. 1.

### Article 1

#### Transposition Note

*(Note: from Federal Law Gazette I No. 107/2017 to Article 31, version of Federal Law Gazette No. 64/1979)*

This federal act transposes the following legal acts of the European Union:

1. Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, OJ L 173, 12.06.2014, p. 349, most recently amended by Directive (EU) 2016/1034, OJ L 175, 23.06.2016, p. 8, in the version of the corrigendum, OJ L, 10.03.2017, p. 116; and
2. Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules

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applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits, OJ L 87 p. 500.

Furthermore this Federal Act serves for the effective enforcement of the following legal acts of the European Union:

1. Regulation (EU) No 600/2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, OJ L 173, 12.06.2014, p. 84, most recently amended by Regulation (EU) 2016/1033, OJ L 175, 23.06.2016, p. 1;
2. Commission Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive, OJ L 87 p. 1; and
3. Commission Delegated Regulation (EU) 2017/567 supplementing Regulation (EU) No 600/2014 with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions, OJ L 87, p.90.

## **Article 15**

### **Transposition Note**

*(Note: from Federal Law Gazette I No 43/2016, to Articles 23, 24, 24a, 27a and 44, as well as the Annex to Article 24 (Audit Code for Savings Banks), Federal Law Gazette I No 64/1979)*

This federal act transposes Directive 2014/56/EU amending Directive 2010/64/EC on statutory audits on annual accounts and consolidated accounts, OJ L 158, 27.05.2014, p. 196.

## **Article 1**

*(Note: from Federal Law Gazette I No 184/2013, to Articles 1, 17, 19, 22 and 27a, as well as § 9 (Audit Code for Savings Banks), Federal Law Gazette No 64/1979)*

This Federal Act serves to transpose Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, OJ L 176, 27.6.2013, p. 338, and amending supervisory law to Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, OJ L 176, 27.6.2013 p. 1, as well as the transposition of Directive 2011/89/EU amending Directives 98/78/EC, 2002/87/EC, 2006/48/EC and 2009/138/EC as regards the supplementary supervision of financial entities in a financial conglomerate, OJ L 326, 8.12.2011 p. 113.

## **Article III**

### **(Transitional provisions)**

#### **Ad Article I no. 28 (Article 24 paras. 6 to 12) and Article II no. 3 (Article 2 para. 2 of the Audit Code for Savings Banks):**

The articles of association for the Sparkassen-Prüfungsverband in accordance with Article 24 of the Savings Bank Act shall be decided by resolution within six months of this federal act entering into force.

#### **Ad Article I no. 28 (Article 24 paras. 7 and 8) and Article II no. 3 (Article 2 para. 2 of the Audit Code for Savings Banks):**

If the appointed manager of the auditing body or their deputy becomes a member of the board of management pursuant to Article 24 paras. 6 to 8 at the time of the entry into force of this federal act, then the pre-requisite of holding the professional qualification for auditors and tax advisors (Article 2 para. 2 of the Audit Code for Savings Banks) shall not apply; this shall also apply for re-appointments.