

AUTHORISATION OF THE ESTABLISHMENT OF MEMBERSHIP RELATIONSHIP OF CREDIT INSTITUTIONS THROUGH MERGER WITH EUROPEAN ECONOMIC INTEREST GROUPING

Pursuant to the provisions in subparagraph aa) of paragraph a) and paragraph b) of Section 9 (1) of Act CCXXII of 2015 on the general rules of trust services and electronic transactions, Sections 17 (1) and 19 (1) of Government Decree 451/2016. (XII. 19.) on the detailed rules of electronic services, and Section 3 (1) of MNB Decree 36/2017. (XII. 27.) on the rules of electronic communication in official matters in progress before the Magyar Nemzeti Bank ("Decree"), on grounds of Section 58 (2) of Act CXXXIX of 2013 on the Magyar Nemzeti Bank ("**MNB Act**"), the legal representative of an economic operator or an applicant (client) obliged to apply electronic communication must submit his application, notification or other petition by using the prescribed form available in the information system ensuring the electronic transactions of the MNB ("ERA System") and introduced for the procedure related to the petition is question, in the manner and with content specified therein, simultaneously uploading the attachments specified by the law and other documents required by the MNB.

In the licensing procedures, the applications and notifications must be submitted by using the prescribed electronic form available in the *E-administration / Licensing* service on the ERA interface on the MNB's website, attaching the certified electronic copies of the appendices. The resolutions, requests for clarification, notices and other communications of the MNB are delivered to the financial organisations or their legal representatives by sending them to the delivery storage space.

The website of the MNB includes information materials related to the electronic administration and the submission of annexes to be attached in the licensing procedure (electronic documents) at:

<https://www.mnb.hu/letoltes/tajekoztatas-az-e-ugyintezesrol-az-mnb-elotti-engedelyezesi-eljarasokban-1.pdf>

For further information related to certain aspects of the licensing procedures see the following menu item:<https://www.mnb.hu/letoltes/tajekoztato-az-egy-es-engedelyezesi-illetve-nyilvantartasba-veteli-eljarasok-soran-leggyakrabban-felmerulo-a-ma-gyar-nemzeti-bank-mnb-gyakorlatat-erinto-kerdesekkel-kapcsolatban-1.pdf>

I. AUTHORISATION PROCEDURE

A credit institution may establish membership relationship in a European economic interest grouping, which is conditional upon the MNB's authorisation (*Section 102 (4) of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Credit Institutions Act)*).

The MNB issues the authorisation to the credit institution for the establishment of membership relationship subject to the **joint fulfilment of the following conditions**:

- the European economic interest grouping only has members that are subject to, together with the credit institution, consolidated supervision, (*Section 102 (1) a) of the Credit Institutions Act*)
- none of the activities pursued according to the contract for the formation of the European economic interest grouping jeopardises the fulfilment of the requirement related to the prudent operation of the credit institution, (*Section 102 (1) b) of the Credit Institutions Act*)
- the contract for the formation of the European economic interest grouping contains a clause guaranteeing that the agreement of the other members is not required for the termination of the credit institution's membership relationship, should the maintenance of it breach any statutory provision or it was ordered to do so by the MNB in its resolution. (*Section 102 (5) c) of the Credit Institutions Act*).

The following instruments should be attached to the application:

- the contract for the formation of the European economic interest grouping (text consolidated with the changes resulting from joining the grouping) (*to prove the fulfilment of the conditions stipulated in Section 102 (5) a)-c) of the Credit Institutions Act*),
- The statement of the applicant credit institution that it has disclosed to the MNB all important facts, data and information required for the issue of the authorisation. (*Article 59 (2) of MNB Act*)

The contract for the formation of the European economic interest grouping shall contain the following, as a minimum:

- name of the interest grouping,
- registered office of the interest grouping,

- the objectives for the achievement of which the economic interest grouping has been formed,
- corporate name, legal form, registered office (registration number and place of registration, if any) of each member of the interest grouping (to prove the fulfilment of the conditions stipulated in Section 102 (5) a) of the Credit Institutions Act),
- duration of the interest grouping, unless it is indefinite,
- list of activities that may be performed (*to prove the fulfilment of the conditions stipulated in Section 102 (5) of the Credit Institutions Act*),
- the condition that the agreement of the other members is not required for the termination of the credit institution's membership relation, should the maintenance thereof violate any provision of the law or the MNB would oblige the member to do so in its resolution. (*Section 102 (5) c) and (6) of the Credit Institutions Act*)
- Documentary confirmation, not older than 30 (thirty) days, that the European economic interest grouping has been registered based on its personal law, and it is not under liquidation or dissolution proceeding. (*Articles 6 and 35 of Council Regulation (EEC) No 2137/85 of 25 July 1985*)

II. TERMINATION OF THE MEMBERSHIP RELATION

The MNB will oblige the credit institution to terminate its membership relationship with the European economic interest grouping – setting a deadline of 8 days at most – if following the issuance of the authorisation such change has occurred:

- as a result of which the issuance of the authorisation would no longer be justified, or
- as a result of which the credit institution would fail to comply with the requirements of prudent operation due to the maintenance of the membership relationship (*Section 102 (6) of the Credit Institutions Act*).

Last amendment: November 2020