

KINSTELLAR

Navigating the
Regulatory Landscape:
An Overview of
Banking as a Service

This publication is a guide to the banking as a service (“BaaS”) regulations in Kinstellar’s jurisdictions, offering insights into compliance essentials, emerging trends, and how to thrive in this dynamic environment.



SLOVAKIA

OVERVIEW OF KEY AREAS 

Definitions

API	Application Programming Interface
EBA	European Banking Authority
EIOPA	European Insurance and Occupational Pensions Authority
EMD	Directive 2009/110/EC on the taking up, pursuit and prudential supervision of the business of electronic money institutions
FoE	Freedom of Establishment
FoS	Freedom of Service
MiFID2	Directive 2014/65/EU on markets in financial instruments
PSD2	Directive (EU) 2015/2366 on payment services in the internal market

01. What is status of the BaaS market?

To our knowledge, to date there is no financial institution in Slovakia with a license issued by the National Bank of Slovakia (“NBS”) providing BaaS. Accordingly, the Slovak BaaS environment is not much developed and thus the regulator does not have extensive experience with such services.

02. Who is the relevant regulator of banking/financial services?

The supervisory authority for the financial market in Slovakia is the NBS.
The official webpage: <https://nbs.sk/en/>

03. What are the main pieces of legislation in relation to banking/financial services?

The main pieces of legislation in relation to financial services in Slovakia are:

- Act No. 483/2001 Coll. on banks (the “**Banking Act**”) governing provision of banking services;
- Act No. 492/2009 Coll. on payment services (the “**PSA**”) governing provision of payment and e-money services;
- Act No. 566/2001 Coll. on securities and investments services (the “**Securities Act**”) governing provision of investment services;
- Act No. 186/2009 Coll. on financial intermediation and financial advice (the “**FIA**”) governing provision of financial intermediation;
- Act No. 39/2015 Coll. on insurance (the “**Insurance Act**”); and
- Act No. 747/2004 Coll. on supervision over financial market (the “**Supervision Act**”).

Further to the above, there is various secondary legislation issued by the NBS.

04. What is the time length for obtaining a banking/financial services license?

The lengths for obtaining financial services license are as follows:

- **Banking License**: from six months up to 18 months if issuance of the license requires cooperation at EU level;
- **Payment Services License**: within three months;
- **E-Money Services License**: within three months;
- **Investment Services License**: within six months;
- **Insurance License**: from six months up to 18 months if issuance of the license requires cooperation at EU level.

05. Are there any specific BaaS regulations?

There are no specific BaaS regulations in Slovakia. Accordingly, Slovak law does not recognise/define BaaS as such.

06. Are there any specific guidelines on BaaS published by the regulator?

There are no specific guidelines on BaaS published by the NBS. The provision of these services is subject to the relevant Slovak laws, depending on the financial service provided through BaaS and the relevant guidelines and decrees of the NBS.

07. Are financial institutions allowed to use financial agents?

Financial institutions can use financial agents to distribute their products and services. Thus, the model of using financial agents is one of the possibilities for implementing BaaS in Slovakia.

Under this model, the non-banking entity may act as a financial agent of the respective licensed financial institution, whereas Slovak legislation recognises the following types of financial agents:

- a. **Tied Financial Agent** (in Slovak: *viazaný finančný agent*) – in this case, the entity may act as an agent for only one financial institution in relation to one area, e.g., deposit taking (it may act as an agent for different financial institution in relation to capital markets or other areas). The agent is registered with the NBS by the relevant financial institution and, accordingly, that institution is responsible for the supervision of the agent;
- b. **Independent Financial Agent** (in Slovak: *samostatný finančný agent*) – in this case, the entity may act as an agent for various financial institutions in relation to the same area. A separate licence must be obtained from the NBS by the agent; and
- c. **Subordinated Financial Agent** (in Slovak: *podriadený finančný agent*) – in this case, the entity may act as an agent for only one Independent Financial Agent in relation to one area. The agent is registered with the NBS by the relevant Independent Financial Agent and, accordingly, such Independent Financial Agent is responsible for the supervision of the Subordinate Financial Agent.

Registration as a Tied Financial Agent or Subordinated Financial Agent is faster and less demanding in terms of regulatory requirements.

The provision of services by financial agents is subject to the FIA.

In addition, payment/e-money institutions may use agents in accordance with the PSD2 or the EMD respectively; in such case the FIA does not apply.

08. Are there any restrictions on the use of the agents by a foreign passported financial institution?

Tied Financial Agents may be registered with the NBS only by financial institutions having their registered office or branch in Slovakia. Thus, the financial institution may not use Tied Financial Agents on the basis of the FoS, but only on the basis of the FoE; this does not apply to investment undertakings, which may not use Tied Financial Agents at all.

This restriction does not apply to agents of payment/e-money institutions acting in accordance with the PSD2 or the EMD, respectively.

09. Are there any regulations on outsourcing?

The provision of BaaS may be subject to outsourcing requirements, depending on the scope of services provided and the actual arrangements between a financial institution and a non-licensed entity.

In this case, the outsourcing requirements set out in (i) the EBA Guidelines on Outsourcing Arrangements or (ii) the EIOPA Guidelines on System of Governance shall apply.

10. Are there any sandboxes/hubs organised by the regulator?

Although the FinTech sector in Slovakia as a whole is still rather undeveloped, the NBS would like to facilitate its development and, in order to do so, it has set up the following:

- An Innovation Hub for the purpose of communicating with the fintech sector and presenting the NBS's views on issues raised by interested parties within the NBS's competence - further information may be found at: <https://nbs.sk/en/financial-market-supervision1/fintech/>.
- A Regulatory Sandbox, which acts as a platform allowing the participant, through consultations with the NBS, to adapt financial innovations in accordance with regulations and to test them in practice on the Slovak financial market - further information may be found at: <https://nbs.sk/en/financial-market-supervision1/fintech/regulatory-sandbox/>.

11. Are there any other specifics that should be considered when providing BaaS?

Due to the lack of development and a comprehensive regulatory environment, interested parties should seek specific advice from legal advisors and eventually the NBS before proceeding with BaaS implementation.

To this end, we note that financial institutions are required to pay a special levy from business in regulated activities in addition to the standard income tax and VAT. The special levy applies in the amount of:

- a. 0.025 in the case of banks; and
- b. 0.00363 in the case of other financial institutions

of annual profits from regulated activities in excess of EUR 3,000,000, payable monthly.



If you're looking to delve deeper into how current national and EU regulations could affect your fintech business, our team at Kinstellar is here to help. With a unique blend of legal acumen and a keen eye for commercial opportunities, we're ready to assist you every step of the way!

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