Introduction and legal basis

On 25 August 2009 the European Central Bank (ECB) received a request from the Czech Ministry of Industry and Trade for an opinion on a draft law on consumer credit and amending certain other laws (hereinafter the ‘draft law’).

The ECB’s competence to deliver an opinion is based on Article 105(4) of the Treaty establishing the European Community and the third indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions1, as the draft law relates to Česká národní banka (ČNB). In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

1. Purpose of the draft law

The purpose of the draft law is to transpose into Czech law Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC2. Under the draft law3, the supervision of compliance with consumer credit obligations is included in the supervisory tasks of ČNB with regard to those entities falling under its supervision4. Non-banking entities carrying out business activities on the basis of a trade licence will be supervised by the Czech Trade Inspectorate5.

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2 OJ L 133, 22.5.2008, p. 66.
3 See Article 21 and Part Five of the draft law.
4 Pursuant to Article 44(1) of Law No 6/1993 Coll. on Česká národní banka, these entities include banks, foreign bank branches, cooperative banks, electronic money institutions, capital market entities, insurance corporations and pension funds.
5 The Czech Trade Inspectorate supervises compliance with the conditions laid down in the currently applicable consumer credit law, i.e. Law No 321/2001 Coll. on certain conditions of consumer credit and amending Law No 64/1986 Coll.
2. **Extension of ČNB’s supervisory tasks**

The ECB understands that the underlying reason for allocating the supervisory tasks relating to consumer credit to ČNB is the fact that ČNB already has overall responsibility for the supervision of the Czech financial market. The ECB considers that the new tasks complement ČNB’s existing supervisory powers and thus contribute to the preservation of confidence in the marketplace. However, it should be ensured that ČNB has sufficient human and material resources to carry out these new tasks without affecting its capacity to carry out its ESCB-related tasks.

This opinion will be published on the ECB’s website.

Done at Frankfurt am Main, 14 September 2009.

[signed]

*The President of the ECB*

Jean-Claude TRICHET