



**OPINION OF THE EUROPEAN CENTRAL BANK**  
**of 31 October 2014**  
**on the legal framework for cooperative banks**  
**(CON/2014/78)**

**Introduction and legal basis**

On 26 September 2014, the European Central Bank (ECB) received a request from the Polish Minister for Finance for an opinion on a draft law amending the Law on the functioning of cooperative banks, their affiliations and affiliating banks and certain other laws (hereinafter the ‘draft law’).

The ECB’s competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union and the sixth indent of Article 2(1) of Council Decision 98/415/EC<sup>1</sup>, as the draft law relates to rules applicable to financial institutions insofar as they materially influence the stability of financial institutions and markets. 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 primary aim of the draft law is to amend the legal framework for cooperative banks in order to give effect to the streamlining resulting from Regulation (EU) No 575/2013 of the European Parliament and of the Council<sup>2</sup>. To this end, the draft law amends the Law on the functioning of cooperative banks, their affiliations and affiliating banks<sup>3</sup> and certain other laws.

The main changes that go beyond the adaptations required to give effect to Regulation (EU) No 575/2013 are as follows:

- (a) The draft law modifies the method of calculating Polish currency equivalents of amounts originally expressed in euro, such as own funds requirements. The draft law aligns this method with the method used for the calculation of the Polish public debt.
- (b) Under the draft law the possibility for a cooperative bank participating in an affiliation of cooperative banks to terminate its membership in the affiliation will also be available for a cooperative bank that is a member of an institutional protection scheme. Such termination would be

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<sup>1</sup> Council Decision 98/415/EC of 29 June 1998 on consultation of the European Central Bank by national authorities regarding draft legislative provisions (OJ L 189, 3.7.1998, p. 42).

<sup>2</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 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).

<sup>3</sup> Consolidated text published in *Dziennik Ustaw* (Dz. U.) of 2014, item 109.

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subject to meeting certain capital and prudential requirements corresponding with those provided for in Regulation (EU) No 575/2013.

- (c) The draft law includes a technical amendment to the definition of the term ‘affiliating bank’. The current list of such banks, whose function is to support the affiliation and to perform certain tasks on behalf of cooperative banks participating in the affiliation, will be replaced by a set of criteria and requirements that need to be met by a credit institution in order for it to be deemed an affiliating bank.

### **2. ECB comments**

The ECB has no comments as regards the draft legislation.

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

Done at Frankfurt am Main, 31 October 2014.

[signed]

*The President of the ECB*

Mario DRAGHI