

Disclosure of information on measure imposed on member of supervisory board

Supervisory measure against a member of a supervisory board pursuant to Articles 53 and 273 of the ZBan-2, dated 23 May 2017 - nullification of the decision and cessation of the procedure on 31 July 2018

Information on person responsible for breach	
Business name and registered office of legal person	-
Information on breach	
Description of circumstances and conduct entailing breach of ZBan-2 or Regulation (EU) No 575/2013	<p>By virtue of a decision of 4 September 2015 the Bank of Slovenia disqualified a supervisory board member from performing the function of a member of a supervisory board because he no longer meets the conditions for performing the function of a member of the supervisory board of a bank set out in point 2 of the first paragraph of Article 53 of the ZBan-2 in connection with point 1 of the second paragraph of Article 53 of the ZBan-2.</p> <p>The supervisory board member lodged a motion to repeat the proceedings in connection with the decision issued.</p> <p>In the repeat proceedings the Bank of Slovenia again assessed the arguments highlighted during the ordinary proceedings, without consideration of the overturned criminal judgement.</p> <p>In a repeat supervisory procedure the Bank of Slovenia assessed from the information at its disposal that in respect of the supervisory board member there were grounds for disqualification from performance of the function of a member of a supervisory board, because the supervisory board member no longer meets the conditions for performing the function of a member of the supervisory board of a credit institution, namely with regard to the reputation and traits required to supervise the management of the operations of a credit institution, and his conduct raises doubts as to his ability to ensure the safe and prudent supervision of the management of the operations of a credit institution in accordance with professional diligence, the highest ethical standards and the prevention of conflicts of interest.</p>
Nature of identified breaches	Failure to meet the conditions for performing the function of a member of the supervisory board of a credit institution
Operational part of the decision by which the relevant proceedings are completed	
<p>The decision referenced ■ on disqualification from performance of the function of a member of the supervisory board of ■ (hereinafter: ■) issued to ■ (hereinafter: the supervisory board member) pursuant to the first paragraph of Article 270 of the ZUP is hereby overturned.</p> <p>Pursuant to point 1 of the first paragraph of Article 273 of the ZBan-2, the Bank of Slovenia hereby disqualifies the supervisory board member from performing the function of a member of the supervisory board of ■, because since assuming the function he no longer meets the conditions for performing the function of a member of the supervisory board of a bank set out in point 2 of the first paragraph of Article 53 of the ZBan-2, in that:</p> <ul style="list-style-type: none">- he lacks the reputation for supervising the management of the operations of a bank, as criminal proceedings ■ are being conducted against him, and among the profession and the general public his reputation has been sharply diminished as a result of these proceedings and also as a result of the criminal judgement by Ljubljana District Court of ■, albeit later overturned,- he lacks the traits for supervising the management of the operations of a bank, as during the procedure of his appointment as a member of the supervisory board of ■ he concealed that he was subject to criminal proceedings, an indication of his lack of professionalism,	

- his failure to uphold ethical standards and his lack of transparency of action,
- his conduct raises doubts as to his ability to ensure the safe and prudent supervision of the management of the operations of a bank in accordance with professional diligence and the highest ethical standards, and to prevent conflicts of interest, as proceeding on the basis that in the procedure of his appointment as a member of the supervisory board of a bank he concealed that he was subject to criminal proceedings it follows that he gives precedence to his own interests over transparency of action, while from his defence in the criminal proceedings in which it is highlighted that the disclosure of the facts owing to which the aforementioned criminal proceedings are in progress was in the public interest it follows that he is inclined towards unprofessional handling of information.

Information as to whether judicial protection proceedings have been initiated against the decision in accordance with the ZBan-2

Judicial protection proceedings have been initiated.

Decision on the prohibition of the performance of the function of member of a bank's supervisory board of 23 May 2017, was nullified by the Administrative Court of the Republic of Slovenia with the judgment of 6 March 2018. The case was returned to the Bank of Slovenia in renewed procedure.

During the new procedure the Bank of Slovenia on 31 July 2018, stopped the procedure for prohibiting the performance of the function of a member of the supervisory board.