



Slovak Republic
Privatization Law No. 92:1991

Delivery Order No. 15

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Eastern European Enterprise
Restructuring and Privatization Project



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Law No. 92:1991 (Digest)

dated February 26, 1991

on the conditions of transfer of state property to other persons

including amendments and supplements introduced pursuant to the laws No. 92:1992 (Digest), 264:1992 (Digest), the constitutional law No. 541:1992 (Digest), 544:1992 (Digest), the No.17:1993 (Digest) law of the National Council of the Slovak Republic, the No.172:1993 (Digest) law of the National Council of the Slovak Republic, the No. 278:1993 (Digest) law of the National Council of the Slovak Republic and the No.60:1994 (Digest) law of the National Council of the Slovak Republic.

(Complete wording)

The National Council of the Slovak Republic has passed the following law:

SCHEDULE ONE

PART ONE

SUBJECT AND SCOPE OF PROVISIONS

§ 1

(1) This law delimitates the transfer conditions of state property to which the rights of management lie with state enterprises, state financial institutions, state insurance agencies and other state organizations (hereinafter referred to as "enterprises") or which is under administration of the Slovak Land Fund, including their property participations in businesses of other legal entities, as well as the transfer conditions of such participations of the state in such businesses, to Slovak or alien legal entities or natural persons (hereinafter referred to as "privatization").

(2) This law shall be similarly applied to the property of foreign trade companies and specific foreign trade organizations, including their property participations in businesses of other legal entities.

(3) The transfer conditions of state property as stipulated by this law shall not apply to property which, in conformity to constitutional laws or special laws can only be owned by the state.

§ 2

The property of the enterprise is for the purposes of this law defined as the sum of things and financial means which the enterprise has the rights of management or rights of ownership to, as well as the sum of rights, other proprietary valuables and liabilities of the enterprise.

§ 3

(1) Property to be restituted to legal entities on the base of special regulations¹⁾ is not subject to this law. Similarly, this law is not applicable to property originally owned by churches, orders and religious associations and transferred to the state after February 25, 1948.

(2) Property claimed by natural persons on the base of special regulations²⁾ may be subject to this law. The acquirer of such property or his legal successor shall become a liable person according to special regulations.

(3) Those who have surrendered property pursuant to Section (2) above shall be compensated by the Fund of National Property of the Slovak Republic, the value of such compensation to be determined by a law of the National Council of the Slovak Republic.

¹⁾ For example, the 298:1990 (Digest) law on the adjustment of certain ownership relations of monastic orders and congregations, and of the Archbishopric of Olomouc.

²⁾ For example, the 403:1990 (Digest) law on the mitigation of consequences of certain property-related cases of hardship, as amended by later legislation.

§ 4

No property can be transferred in compliance with this law, even though proposed or included as property to be transferred to other legal entities or natural persons in accordance with special regulations³⁾ before a decision has been made that it shall not be included in the lists of transferable units by such special regulations, or that it was excluded from such lists⁴⁾.

PART TWO

PRIVATIZATION DECISIONS AND PRIVATIZATION PROJECTS

§ 5

Privatization decisions and privatization projects

Transfer of property pursuant to this law shall be carried out based on decisions on privatization of enterprises or parts thereof, or on decisions on privatization of the proprietary share of the state in businesses of other legal entities (hereinafter referred to as "privatization decisions") issued on the base of privatization projects.

Privatization project of the enterprise

§ 6

The privatization project of the enterprise is a set of economic, technical, proprietary, time and other data, showing the following:

- (a) Name of the enterprise and delimitation of its property designed for privatization according to the project (hereinafter referred to as "privatized property"),

³⁾ 427:1990 (Digest) on transfer of state ownership of certain things to other natural persons or legal entities as amended by the No. 541: 1990 (Digest) law.

⁴⁾ 474:1990 (Digest) law of the Slovak National Council on the jurisdiction of authorities of the Slovak Republic in matters of transfer of state ownership of certain things to other legal entities or natural persons, as amended by the No. 501:1991 (Digest) law of the Slovak National Council.

- (b) List of the real estate^{4a)} being privatized, data on the method by which such privatized property had been acquired by the state, and what title for surrender of the same might be claimed pursuant to § 3, Section 2 above,
- (c) Delimitation of those parts of the property which cannot be used for business purposes (e.g. irrecoverable claims, unusable capital assets and warehouse stock) and the disposition method of such property,
- (d) Valuation of the privatized property,
- (e) Method of transfer of the privatized property, including settlement of claims of qualified persons,
- (f) In case of establishment of a business company determination of its legal form,
- (g) In case of establishment of a joint-stock company the method of distribution of the stock, its ratios and/or types and data on the scope of use of investment coupons, if any,
- (h) In cases of sale the method, proposed price and terms of payment as well as proposed investments and other conditions of sale which could be taken into consideration in negotiations of the purchase price or create reasons for a partial remission of the purchase price,
- (i) Division of the privatized property among individual transferees (final privatized units),
- (j) Transfer method of industrial rights and/or rights related to other spiritual property, negotiated with the Office of Industrial Ownership of the Slovak Republic if such rights are owned by the enterprise,
- (k) Time schedule of implementation of the privatization project.

(2) In addition to data stipulated by Section (1) above, the privatization project may show the following:

- (a) Recommendations related to corporate business activities,
- (b) Information on persons showing interest in the purchase of the enterprise, or in participation in the establishment of a trading company using its corporate property, or in stock purchases of a newly established joint-stock company,
- (c) Data on the current and expected market position of the enterprise,
- (d) Data on the number and qualification structure of the employees.

^{4a)} § 119, Section 2 of the Civil Code.

(3) Privatization projects may relate to parts or the whole of the enterprise, or to the property of several enterprises.

§ 6a

(1) Privatization projects submitted after February 29, 1992 must include the evaluation of ecological liabilities of the enterprise, certified by the state environmental authority of jurisdiction.

(2) The evaluation pursuant to Section (1) above shall include:

(a) Assessment of those directions where the enterprise does, or is unable to, meet the stipulations of ecological legislation currently in force showing the costs necessary to acquire accordance with such legislation,

(b) Review of payments imposed upon the enterprise for environmental pollution and utilization of natural resources^{4b)} and a review of sanctions levied against the enterprise for environmental pollution pursuant to the Environment Act and other special regulations,

(c) Quantification of the environmental damage hitherto caused by corporate activities^{4c)}.

§ 7

(1) The founder or establisher of the enterprise (hereinafter referred to as the "founder") to whom draft privatization projects are submitted is responsible for elaboration of the privatization project.

(2) Draft privatization projects are as a rule elaborated by the enterprises concerned. In case of such elaboration by the founder or by another person, the founder shall request the opinion of the enterprise concerned.

(3) The founder may order the enterprise to submit its draft privatization project, and may specify an adequate time period for such submission; the same procedure may be applied by the Ministry of Administration and Privatization of National Property of the Slovak Republic (hereinafter referred to as the "Ministry") to the founder.

^{4b)} § 31 of the Environmental Act (17:1992 /Digest/).

^{4c)} For example, § 8, Section 2 of 17:1992 (Digest).

(4) The Ministry shall determine deadlines for submissions of privatization project proposals. If so required by the Ministry, the founder and the enterprise shall present updating data, documents, information etc. on the privatization project within the deadline specified by the Ministry.

(5) The enterprise shall inform the responsible trade unions on the draft privatization project. Trade union bodies may present statements on the privatization projects to the founders prior to submission of such projects.

(6) If the draft privatization project was prepared by an entity other than the enterprise, the latter shall at the request of the former provide data as specified by § 6, Section 1, Subsections (a) through (d), (j) and by the nature of the matter also by Subsection (i) as well as data specified by Section 2, Subsection (b) concerning the privatized property. The above data shall be provided in writing without delay. The responsibility for meeting this liability shall lie with the respective statutory body. Any data thus provided may only be used in the preparation of the privatization project, and the entity whom they had been supplied to shall take every precaution to prevent acquisition of such data by others. The enterprise shall remain liable to provide data as above only until expiration of the period specified for the submission of privatization project proposals related to its property. After that period the founder shall determine the continuing range of the enterprise's cooperation in the provision of data with relevance to its privatization in cases of initiations on the privatization method filed pursuant to § 8, Section 4 hereunder.

(7) The Ministry may impose a fine amounting up to SKK 100,000 upon statutory bodies of enterprises who, by infringement on their duties, have caused that such enterprise failed to submit data pursuant to Section 6 above or that it submitted incomplete or erroneous data.

(8) The amount of fine shall be determined taking into account mainly the measure of guilt, gravity, time of duration and consequences of the unlawful action.

(9) Fines pursuant to Section 7 above may be imposed within 6 months from the date when the Ministry was informed on the infringement of duties but within one year latest from the date of occurrence of such infringement.

(10) income from fines imposed pursuant to Section 7 above shall be a special Ministry account revenue.

(11) To the imposition of fines pursuant to Section 7 above the general rules of administrative proceedings shall be applicable.

§ 8

(1) The founder shall evaluate all submitted proposals of privatization projects of the enterprise and shall submit one copy thereof to the Anti-Monopoly Office of the Slovak Republic for a statement, delivered in accordance with special regulation^{4d)}. The founder shall present the proposals of privatization projects, and any initiation filed pursuant to Section 4 hereunder, along with its views and with statements of the Anti-Monopoly Office of the Slovak Republic as well as with the proposal of privatization decision to the Ministry within the deadline determined by the Ministry. At the time of submission of the privatization project proposals the founder shall also inform the qualified persons on the proposed method of fulfilment of their respective claims (§ 47, Section 1).

(2) The founder shall, pursuant to Section 1 above, submit also those privatization project proposals which he did not recommend for implementation, accompanied with substantiation of his opinion.

(3) The founder shall publish the information on submission of the privatization project of the enterprise prepared by the enterprise in daily newspapers of countrywide circulation. The enterprise shall provide information on itself, in the scope of the mandatory privatization project syllabi required by law, to parties interested in the preparation of a competitive project.

(4) Parties interested in the privatization may file an initiation of the privatization method of the enterprise or part thereof until the date of issue of the privatization decision.

^{4d)} § 19 of the 63:1991 (Digest) law on protection of economic competition, as amended by the 495:1992 (Digest) law.

§ 9

**Privatization project of property participation of the state
in corporate businesses**

(1) The state administration body executing those rights of the state which relate to its property participation in businesses of legal entities shall be responsible for the preparation of privatization project proposals of such participations within the deadline specified by the Ministry, and submit them to the Ministry.

(2) Privatization projects of property participation of the state in corporate businesses (hereinafter referred to as "privatization projects of participation") shall include all appropriate prerequisites of privatization projects of enterprises.

(3) Proposals of privatization projects of participation shall as a rule be prepared by the legal entities concerned. The process as stipulated by §§ 7 and 8 hereto shall commensurately apply.

§ 10

Privatization decisions

(1) Decisions of privatization by direct sales outside of public business contests (hereinafter referred to as "public contest") or of public auctions shall be issued by the government upon Ministry proposals. The government may reserve its right to decide on privatization in other matters.

(2) Decisions of privatization not included in Section 1 above shall be issued by the Ministry.

(3) The body of issuance of privatization decisions shall, prior to such issuance, publish the information on submission of the privatization project of the enterprise in daily newspapers with countrywide circulation.

(4) Privatization decisions shall not be issued before 30 days from the date of publishing of the information pursuant to Section 3 above.

(5) The Ministry shall publish issuance of the privatization decision within 30 days in the Official Gazette, and shall use also other forms of publishing.

(6) General rules of administrative proceedings shall not apply to privatization decisions. Such decisions shall not be subjected to court enquiries.

(7) The decisionmaking process of privatization is not a public procedure. Within its frameworks all privatization projects, submitted with respect to a given property or property participation in the business of another legal entity within the specified deadlines shall be taken into account, along with initiations filed in accordance with § 8, Section 4 hereto. Each privatization decision shall be made in writing, and delivered to the entity who had elaborated the privatization project or filed the initiation selected by such decision for implementation. Those who have elaborated further privatization projects and/or filed further initiations with relevance to the given decision shall be informed in writing on the method of privatization, and on the fact that their respective privatization projects or initiations were not selected for implementation by the respective decision.

(8) Privatization decisions may be issued on parts of the property involved in the privatization project proposal.

(9) The body of issuance of the privatization decision may prior to such issuance amend by written codicil the conditions, scope and method of privatization specified in the privatization project proposal.

(10) The body of issuance of the privatization decision may only amend such decision in case of grave facts having appeared after the issuance which were not known at the time of issuance of the privatization decision, and would have substantially influenced the original decisionmaking process.

(11) Amendments pursuant to Section 10 above may only be made before the privatized property was transferred to the Fund of National Property of the Slovak Republic (hereinafter referred to as "the Fund").

§ 10a

Decisions on the privatization of enterprises shall specify the following:

- (a) Identification of the project
- (b) Designation of the approved method of privatization
- (c) Book value of the property of individual units independently privatized, corresponding to the privatization project determined for implementation by the decision,
- (d) Book value of the property if any which cannot be used for entrepreneurial purposes, after deduction of any income yielded by its realization, and the disposition method of such property,
- (e) Reference to the fact if any that transfer of the privatized property is linked to inception of a new liability for the transferee, with specification of the range of such liability and of sanctions applicable to its non-fulfilment,
- (f) Reference to the fact if any that the privatization project or part thereof shall be implemented by the Slovak Land Fund,
- (g) Reference to the fact if any that civil defence multipurpose storage establishments and/or property shall be transferred at no charge within the scope of the privatization project,
- (h) Reference to the fact if any that the Fund, by governmental decision, shall sign a reimbursement agreement with the transferee with respect to costs ensuing from environmental liabilities whose origin lies before the privatization,
- (i) Any further conditions.

(2) Decisions on privatization of enterprises by direct sales to a predetermined transferee shall, in addition to stipulations pursuant to Section 1 above, specify the following:

- (a) **Method** of selection of the transferee,
- (b) **Identity** of the transferee, defined by his identification code or citizen's card-index number,
- (c) Method of determination of the purchase price; if determined by agreement, the absolute total sum shall be shown,
- (d) Terms and enforcement of payment.

(3) Decisions on privatization of enterprises by public contest shall, in addition to stipulations pursuant to Section 1 above, specify the following:

- (a) Conditions of the public contest and criterions used to evaluate their fulfilment,
- (b) Delimitation of the group of privatization participants.

(4) Decisions on privatization by incorporation of the privatized property in a business company and subsequent privatization of its business participation or stock, and decisions on privatization of property participation of the state shall, in addition to stipulations pursuant to Section 1 above, specify the following:

- (a) Privatization method of the stock (part of business), expressed as the percentages of individual privatization methods of stock (part of business) and/or percentages sold to individual transferees,
- (b) Existence of special-rights shares, if any,
- (c) Changes, if any, proposed in the composition of statutory bodies of the business company,
- (d) In case of sales of stock (part of business) for an agreed purchase price the price of one share (part of business) or the agreed total price.

(5) The privatization project selected for implementation by the privatization decision shall be accompanied with a list of real estate according to data obtained from the cadastre of landed property.

(6) Privatization decisions on privatization projects involving property participations may order the Fund to ensure sale of such property, or its delivery to the qualified person in accordance with special regulations²⁾. Such decision shall be met by the Fund within its execution of shareholders' rights^{4e)}.

^{4e)} § 187 of the Business Code.

PART THREE

TRANSFER OF PRIVATIZED PROPERTY TO THE FUND OF NATIONAL PROPERTY OF THE SLOVAK REPUBLIC, AND USE OF PROPERTY OF THE FUND OF NATIONAL PROPERTY OF THE SLOVAK REPUBLIC

§ 11

(1) The founder shall, in accordance with the privatization decision, discontinue the enterprise without liquidation proceedings, or extract his property participation from the enterprise to the date determined by the Fund.

(2) By the date of discontinuance of the enterprise, or of extraction of the property participation thereof the privatized property shall be transferred to the Fund.

(3) In cases where part of the property privatized according to the privatization decision is represented by property under administration of the Slovak Land Fund, such property shall also be transferred to the Fund pursuant to Section 2 above. The stipulation of Section 1 above shall be appropriately used.

(4) Prior to transfer of property pursuant to Section 2 above the enterprise shall dispose of its assets which cannot be used for business purposes (§ 6, Section 1, Subsection /c/) in compliance with the privatization decision.

(5) The founder shall not extract those parts of the property of the enterprise formed by, or linked to industrial rights or other spiritual property rights (§ 6, Section 1, Subsection /j/). The enterprise shall transfer such rights by contract to the transferee of the privatized property.

(6) In cases where all property of the enterprise transfers to the Fund, the foundation of a business company or the sale of such property shall coincide with the discontinuance of the enterprise without liquidation proceedings.

(7) Property participations shall, to the date determined by the Fund, be transferred to the Fund by the state administration body in accordance with the privatization decision.

§ 12

(1) Property of the Fund does not constitute state ownership and may only be used for purposes defined by this law.

(2) Property of the Fund may be used in accordance with approved privatization projects for the following purposes:

- (a) Foundation of a joint-stock or another trading company⁵⁾ and disposition of the property participation in such companies,
- (b) Sale of the property of the enterprise or parts thereof, or sale of the property participation in the business of another legal entity,
- (c) Transfer of privatized property to municipalities,
- (d) Transfer of privatized property for purposes of health and pensions insurance.
- (e) Transfer of the privatized property if constituted by assets used for agricultural or forestry production to the Slovak Land Fund which shall further handle such property appropriately in accordance with the privatization decision as stipulated by Subsections (a) through (d) above.

(3) In cases pursuant to § 12, Section 2, Subsection (e) above the stipulations of §§ 13 through 21 shall similarly apply to the Slovak Land Fund.

§ 13

No preferential treatment in cases of sale of the property of funds is allowable. In the case of sales of stock only such preferential treatment as allowed by the law on joint-stock companies may be granted.

⁵⁾ The Business Code.

§ 14

(1) Sales of privatized property are implemented by the Fund by contracts signed with the buyers, or by public auctions. In case of sales by public auction the rules of transfer of state property in accordance with special legislation³⁾ shall appropriately apply. The contracts shall define responsibilities of the buyers for cases of failure to meet contractual liabilities, including possibilities of provisos by agreement and conditions of cessation of the legal relations established by the contracts.

(2) If privatized property should be deposited as part of the share capital of a business company, the Fund shall proceed in accordance with special legislation⁵⁾, with variations as specified by this law.

§ 15

(1) With the transfer of ownership rights of the privatized property to the transferee other rights and liabilities related to such property are also transferred.

(2) Transfers of claims are ruled by rules governing the surrender of claims in accordance with special legislation⁷⁾.

(3) Transfers of liabilities require no creditors' approval. The Fund shall however guarantee with its property to the amount of acquired value of the privatized property fulfilment of liabilities of such privatized property. Creditors shall be entitled to claim fulfilment of such liabilities from the Fund only if they have notified the Fund on the applicable legal reasons and values within one year from the transfer of such liabilities to the transferee of the privatized property, and if all legal means to obtain such fulfilment from the debtor were exhausted beforehand^{7a)}.

(4) The transferee shall notify creditors on the transfer of liabilities without undue delay.

7) The Business Code.

7a) For example, §§ 80, 251 etc. of the Civil Docket (99:1963 /Digest/) as amended by later legislation (see also the complete wording in 501:1992 /Digest/); the 328:1991 (Digest) law on rules of bankruptcy and settlement, as amended by later legislation.

§ 15a

(1) The transferee may within one year from signature of the property sales contract of the privatized enterprise, or - in case of deposition of property of the privatized enterprise in a business company - within one year from the foundation of such company carry out business within the relevant scope of authorization of such enterprise. In case of sale or deposition of an organizational component of the privatized enterprise the right to carry out business is similarly passed to the transferee within the scope of activities of such organizational component.

(2) The stipulations of Section 1 above are similarly applicable to the sale of the enterprise or of its organizational component by public auction.

§ 16

Industrial rights or rights of other spiritual property shall be transferred on the base of contracts closed between the proposer and the enterprise.

§ 17

Rights and liabilities of the privatized enterprise related to labour law relations with staff members employed by it or by its privatized organizational component shall transfer to the transferee.

§ 18

If privatization relates to the entire property of the enterprise, and if not differently stipulated in the contract or legal act by which property of the enterprise is deposited in the share capital of a business company, the right of use of the enterprise trade name transfers to the transferee unless such transfer would be contradictory to legislation applicable to the use of trade names. Such transfer shall not be prejudiced by a change in the tradename complement designating the legal form of the enterprise.

§ 19

(1) To the date of effectivity of the contract or deposition the Fund shall deliver, and the transferee shall accept the things included in the privatized property. The acceptance shall be recorded in a protocol signed by both parties.

(2) By delivery of the property the risk of damage of things pursuant to Section 1 above shall pass to the acquirer.

(3) The rights of ownership related to things included in the privatized property shall pass to the transferee by the agreed date of effectivity of the contract, or in case of deposition by the date of establishment of the business company; rights of ownership related to real estate shall transfer by deposition to the cadastre of landed property.

§ 20

(1) The protocol of acceptance (§ 19, Section 1 above) shall contain a list of things missing and/or damaged. Unless stipulated differently by the contract, things which were not delivered to the transferee in spite of being accounted for as part of the delivered property shall be considered as missing. Assessment of damaged things shall take into consideration their continuing capability of use in operations of the enterprise, and their duration of use as determined from bookkeeping records.

(2) Unless stipulated differently by contract, the transferee shall be entitled to request an adequate discount for things shown in the protocol of acceptance as being missing or damaged.

(3) The transferee may claim a discount with respect to liabilities which transferred to him but had not been accounted for.

§ 21

At the delivery of things and preparation of the acceptance protocol the Fund is represented by persons who were authorized, to the date of discontinuance of the enterprise or to the date of extraction of parts of the property, to act on behalf of the enterprise. Such persons are responsible to the Fund in their above capacity.

PART FOUR

TRANSFER OF PROPERTY BY INVESTMENT COUPONS

§ 22

(1) Investment coupons (hereinafter referred to as "coupons") may be used for the purposes of transfer of property participations of the Fund or of the Slovak Land Fund to other persons.

(2) For the purposes of this law, coupons are registered securities entitling to purchase shares designated for sale against coupons.

(3) The date of registration of the coupon is the day of filing of the coupon book in the name of its owner, within the deadline determined by the Ministry of Finances of the Slovak Republic (hereinafter referred to as "Ministry of Finances"), in the numbered system of special workplaces (hereinafter referred to as "recording points"). Recording points are established, and their list published by the Ministry of Finances. Registration executed outside of the specified period of time shall be invalid unless stipulated otherwise by this law or by special regulation.

(4) In cases of temporary shortage of coupon books the Ministry of Finances shall issue substitute registration cards. Such cards shall, for purposes of claims pursuant to § 24, Section 2 hereunder, be replaced with registered coupon books within the deadline determined by the Ministry of Finances.

(5) Citizens may be represented by a legal entity or a natural person at registration of their coupon books, based on a written power of attorney with the signature of the assignor officially certified.

(6) Coupons with exception of their use pursuant to § 24, Section 3, Subsection (c) hereunder are not transferable, and their relevant rights are passed on heirs only. Coupons are irredeemable.

§ 23

(1) Coupons shall show in particular:

- (a) Name, citizens card-index number and permanent residence of the holder,
- (b) Designation of the body issuing the coupon,
- (c) Price of acquisition,
- (d) Date of issue and duration of validity,
- (e) Date of registration.

(2) Coupons are issued by the Ministry of Finances.

(3) The net revenue from sales of coupons shall be transferred to the Fund.

§ 23a

(1) Coupons shall remain valid ten months from the date of issue. This period may be extended by the Ministry of Finances.

(2) The date of issue of coupons shall be determined by the Ministry of Finances upon agreement with the Ministry.

§ 24

(1) All citizens of the Slovak Republic with permanent residence in its territory and having completed the eighteenth year of their age to the date of issue of coupons are entitled to acquire coupons.

(2) The highest total delivered volume of shares ordered per coupon holder and per privatization wave is the equivalent of one thousand investment points.

(3) Holders of coupons of the applicable issue are entitled to use the investment points in the respective wave of privatization for the following purposes:

- (a) Purchase of stock of any joint stock company whose stockholder is the Fund and which was, for that purpose, included into the stock list of joint-stock companies (§ 24c, Section 2),

(b) Purchase of stock of any joint stock company whose stockholder is the Slovak Land Fund and which was, for that purpose, included into the stock list of joint-stock companies (§ 24c, Section 2),

(c) Acquisition of participation in investment funds⁸⁾ established for the respective wave of privatization (hereinafter referred to as "investment funds") incorporated for that purpose in the list of the Ministry of Finances.

(4) The methods of use of investment points as stipulated by Section 3 above may be applied concurrently.

(5) The method of use of investment points pursuant to Section 3, Subsection (c) above shall only be possible in the period prior to commencement of the privatization wave determined by the Ministry of Finances upon agreement with the Ministry (hereinafter referred to as "preliminary round").

§ 24a

(1) The preliminary round is not part of a privatization wave and cannot be commenced before the list of investment funds to whom investment points can be submitted for the purpose of ordering shares for coupons was published. The preliminary round cannot be terminated before publishing of the list pursuant to § 24c, Section 2 hereunder.

(2) The Ministry of Finances shall include those investment funds which have documented registration in the Business Register into the list pursuant to § 24, Section 3, Subsection (c).

(3) The sites and deadlines for registration of investment funds shall be determined by the Ministry of Finances.

⁸⁾ 248:1992 (Digest) law on investment companies and investment funds as amended by the 600:1992 (Digest) law.

§ 24b

The Ministry of Finances shall maintain central records of the coupons, carry out changes of recording points upon request, determine workplaces for ordering of shares (hereinafter referred to as "filing offices"), maintain central records of orders of shares and determine the period of time for which the respective parts of coupon pages used for share orders shall remain at the filing office.

§ 24c

(1) The Ministry shall, for each wave of privatization, prepare and publish at the beginning of the registration period of coupon books latest a preliminary list of enterprises and state property participations designated for privatization with the use of investment coupons.

(2) Based on Ministry documents, the Ministry of Finances shall publish essential information on joint-stock companies whose stock shall be offered for coupons in the respective privatization waves (hereinafter referred to as "stock lists"). Stock lists shall be based on the lists pursuant to Section 1 above, and the Ministry of Finances shall be entitled to adjust them prior to publishing to bring them into correspondence with the actually determined numbers of registered coupon books or for other grave reasons. The Ministry of Finances shall publish the stock list prior to commencement of the respective wave of privatization. Stock lists updated from demand viewpoints shall be published by the Ministry of Finances after termination of each round of the respective privatization wave.

(3) The published information shall be of orienting nature and cannot be deemed a draft agreement prepared in accordance with special regulations.

§ 25

(1) The privatization wave is a time period whose commencement and termination determined by the Ministry of Finances upon agreement with the Ministry, over which coupon holders can claim their title to shares designated for sale against coupons.

(2) Privatization waves are divided into privatization rounds.

(3) Commencement and termination of privatization rounds, offers and par rates of stock and their publishing, beginning and end of the order period within privatization rounds shall be determined by the Ministry of Finances upon agreement with the Ministry.

§ 26

(1) In cases of doubt the Ministry of Finances shall decide on the following:

(a) Validity of the accomplished registration and priority of one of several registrations made in the name of the same coupon holder,

(b) Whether shares were ordered, or investment points submitted to investment funds by methods in accordance with this law or with special regulations.

(2) The Ministry of Finances has the right to adapt the contents of share orders to the claimable title of coupon holders in cases where the latter have exceeded such title in their share orders as stipulated by § 24, Section 2 above. In so doing the Ministry of Finances shall always grant priority to orders placed first before those placed later. In cases of concurrently placed share orders the Ministry of Finances shall decide on the validities of specific orders.

§ 26a

(1) Investment funds purchase shares against investment points submitted to them by holders of investment coupons, and use them together with further similarly purchased stock to increase their respective share capital in compliance with special legislation⁸⁾. The investment funds shall issue their own shares to coupon holders from whom they had acquired investment points, in the total value corresponding to their thusly increased share capitals. Each of these holders shall be entitled to obtain shares of the investment fund in the nominal value corresponding to the ratio of the number of investment points to the total number of investment points submitted to such fund. The valuation method of shares purchased with investment points shall be determined by the Ministry of Finances by a special regulation.

(2) Submission and acceptance of investment points between the coupon holder and investment fund shall establish the inception of a contractual relation whose contents are the mutual rights and liabilities as stipulated by Section 1 above.

(3) The submission of investment points to the investment fund by methods established by special legislation constitutes a securities transfer contract^{8a)}.

§ 26b

(1) Based on results of the central evaluation of orders the Ministry of Finances shall determine, which of the orders submitted within a specific privatization round can, and which cannot be honored.

(2) All orders of shares of joint-stock companies where the aggregate demand for stock has not exceeded their aggregate offer in the respective privatization round shall be honored.

(3) Orders of shares of joint-stock companies where the aggregate demand in the respective privatization round has exceeded the aggregate offer by more than 25 % shall not be honored.

(4) In case the aggregate demand for the stock of a joint-stock company has exceeded its total offer by no more than 25 % in the respective privatization round, and the aggregate demand for such stock claimed by natural persons has not exceeded such total offer, the Ministry of Finances shall determine that orders placed by natural persons shall be fully honored, and those placed by investment companies shall be honored in part, proportionally to the range of orders placed by the individual investment companies. The investment points corresponding to such reduction may be used by the investment funds in further privatization rounds.

(5) In case stock orders cannot be honored as stipulated by Sections 2 and 4 above, the Ministry of Finances shall determine that none of such orders shall be honored and that - unless the last privatization round was involved - such stock shall be reoffered in the next privatization round.

^{8a)} §§ 13 and 19 of 600:1992 (Digest) (the Securities Act).

(6) Investment points from orders not honored in a round of privatization shall be deemed unused, with exception of the last privatization round where all investment points shall be deemed used ones.

§ 26c

(1) The Ministry of Finances shall in the last stage of each round of privatization ensure full information of the registration points on share orders placed by coupon holders registered at the respective points, and the fulfilment of such orders.

(2) The Ministry of Finances shall in the last stage of each round of privatization publish information on stock whose orders could, and could not, respectively, be honored within the given round of privatization.

(3) The Ministry of Finances may upon agreement with the Ministry and depending on the development of demand and offer of stock of individual joint-stock companies decide on the termination of sales of such stock, or on the reduction of its offer in the round of privatization following such decision. This decision shall be published by the Ministry of Finances.

(4) The Ministry of Finances shall within one month from termination of the privatization wave inform each coupon holder and each investment fund whether their respective orders of stock placed over the duration of the privatization wave were honored. This information shall be complemented by the time and method of delivery of the respective shares.

(5) Investment funds shall within one month from delivery of the shares pursuant to Section 4 above inform in writing the coupon holders who had commissioned them to order shares in the preliminary round the number and par value of the shares claimable by such holders, and the time of delivery of such shares to them.

(6) The Ministry of Finances is entitled to appropriately proceed pursuant to Section 4 above in cases the sales of individual joint-stock companies were terminated in the course of the privatization wave.

PART FIVE

THE FUND OF NATIONAL PROPERTY OF THE SLOVAK REPUBLIC

§ 27

(1) The Fund is a legal entity established by special legislation^{8b)}, registered in the Business Register. The legal status and legal relation of the Fund shall be governed by the stipulations of this law from the date of its effectivity.

(2) The Fund shall cover costs related to its activities from its property within its budget approved by the National Council of the Slovak Republic.

(3) Official bodies of the Fund are its Presidium, Executive Committee and Board of Supervisors.

(4) Detailed provisions on the organizational arrangement of the Fund and on its activities are shown in its Charter, approved by the National Council of the Slovak Republic following to debate in the government. In addition, the Charter shall determine the forms of mutual cooperation between the Fund, the Ministry, the founders and the government while executing its function as the founder of business companies established in accordance with privatization decisions and while performing its other activities as well as of mutual cooperation of the Fund with the Slovak Land Fund in matters of implementation of enterprise privatization decisions.

8b) No.253:1991 (Digest) law on the jurisdiction of authorities of the Slovak Republic in matters of transfer of state ownership to other persons and on the Fund of National property of the Slovak Republic, as amended by the No. 501:1991 (Digest) law of the Slovak National Council, No. 29:1992 (Digest) of the Slovak National Council, and the No. 17:1993 (Digest) law of the National Council of the Slovak Republic.

8c) § 15 and § 16, Section 1 of the Slovak National Council law No. 474:1990 (Digest) on the jurisdiction of authorities of the Slovak Republic in matters of transfer of state ownership of certain things to other legal entities or natural persons, as amended by later legislation; § 7, Section (b), § 10, Section (3) and § 22, Section (3) of the No.403:1990 (Digest) law on mitigation of consequences of certain cases of property - related hardship as amended by later legislation.

§ 28

Property of the Fund and its utilization

(1) Property of the Fund includes, in particular:

- (a) Privatized property transferred to the Fund in accordance with this law (§ 11),
- (b) Profit accrued from participation of the Fund in activities of those business companies the Fund is participating in,
- (c) Net earnings from sale of investment coupons (§ 23, Section 3),
- (d) Earnings from sales of stock or shares in other than joint stock companies.

(2) Financial means from income accumulated in a special Ministry account pursuant to special legislation^{8c)} are converted into Fund property, after accountancy as stipulated by Section 4 hereunder has been accomplished.

(3) Income and expenditures of the Fund are not parts of the state budget of the Slovak Republic and may only be utilized for the following purposes:

- (a) In accordance with privatization decisions,
 - 1. For privatization methods pursuant to § 12, Section 2,
 - 2. For transfer to the Restitution investment fund,
 - 3. To reimburse costs linked to environmental liabilities of the transferee whose origin lies before the privatization,
- (b) In accordance with governmental decisions,
 - 1. To meet liabilities of enterprises designated for privatization, particularly those of credits guaranteed by rights of lien,
 - 2. For augmentation of resources of credit - offering banks and savings banks,
 - 3. To honor guarantees of credit to business companies whom the Fund has a permanent property participation of at least 34 % in,
 - 4. To support development programs of the Slovak Republic by property deposits,

within the scope of use of Fund assets, approved pursuant to § 32, Section 3,

- (c) Increase of the share capital of those trading companies whom the Fund is a stockholder or partner of,
- (d) Coverage of costs related to Fund activities within the scope determined by its budget,
- (e) Financial reimbursement to subjects whom the enterprise had been responsible to for defects, unless such responsibility has passed to the transferee,
- (f) Coverage of costs accrued in link with the preparation and implementation of privatization projects and privatization decisions within the scope as determined by the Fund charter,
- (g) Purchase of property and property participations whom the Fund has first options of,
- h) Fulfilment of claims of qualified persons in accordance with special legislation^{8d)} and with § 47 hereto, and coverage of costs of restitution and privatization lawsuits reimbursable by the Fund, and/or compensation of related damage caused by the Ministry or by the Fund,
- (i) Coverage of expenditures of a special Ministry account to be used in accordance with special legislation^{8e)},
- (j) Transfer of means into municipal ownership to the extent of a 25 % ratio of the total net earnings from sales according to special legislation^{8f)} of those operational units which had been within founding (establishing) jurisdiction of the municipalities and local state administration bodies in the individual districts of the Slovak Republic; these means shall after December 1, 1992 be divided among individual municipalities within the districts pro rata their population numbers,
- (k) Reimbursement of unpaid parts of environmental claims of the state against the perpetrator^{8g)} if the latter is a business company with 100 % property participation of the Fund,
- (l) Other purposes as may be specified by special legislation.

^{8d)} 87:1991 (Digest) law on extra-judicial rehabilitation as amended by later legislation.

^{8e)} § 16, Section 2 of the 474:1990 (Digest) law of the Slovak National Council as amended by later legislation.

^{8f)} 427:1990 (Digest) on transfer of state ownership of certain things to other legal entities or natural persons, as amended by later legislation. 474:1990 (Digest) law of the Slovak National Council, as amended by later legislation.

^{8g)} §§ 17a and 32 of the 328:1991 (Digest) law on rules of bankruptcy and settlement, as amended by later legislation.

(4) The Fund shall clear its accounts of income pursuant to Section 2, and of expenditures pursuant to Section 3, Subsection (h) on a regular basis with the Ministry.

(5) The Fund shall dispose of its property, and property participations in the business of other legal entities which, according to the privatization decision, could not be subjected to privatization for reasons for which the Fund cannot be held responsible, by methods approved in writing by the Ministry beforehand. The stipulations of §§ 8 and 10 shall be appropriately used.

(6) The stipulation of Section 5 above shall also be used in cases of the property and property participations of the Fund in the business of other legal entities which have passed to the Fund due to cancellation of contracts as the result of failures to meet contractual liabilities by the transferees of privatized property.

(7) In cases pursuant to Section 5 above the Ministry shall prior to issuance of its written approval ensure annulment of the original privatization decision or part thereof.

§ 29

Juridical acts of the Fund

(1) The Fund is entitled in accordance with privatization decisions to sign contracts in its own name and to accomplish other juridical acts, particularly:

- (a) Foundation of business companies or participation in such foundation, and deposition of such deposits therein as the Fund may have accepted the obligation to,
- (b) Acquisition of stock based on its participation in activities of joint-stock companies and execution of stockholders rights including participation in general assemblies,
- (c) Execution of partners rights within its participation in activities of other than joint-stock companies,
- (d) Sharing the economic results of those business companies in whose activities the Fund participates, and sharing their consequences in the form of profits and losses,
- (e) Sales of stock or shares in other than joint-stock companies,
- (f) Sharing of the liquidation value of companies within the scope of participation of the Fund in their respective business activities,

- (g) Closing contracts of sale of companies, their organizational components and parts of property, using among others the form of public contest,
- (h) Sale of privatized property at public auctions,
- (i) Transfer of privatized property to municipalities and to the Slovak Land Fund,
- (j) Transfer of privatized property for purposes of health and social insurance,
- (k) Rent of such values for specific time periods before their use for privatization purposes.

(2) Prior to the foundation of a business company in accordance with the privatization decision the Fund shall update the non-financial deposit value. Should, as the result of such updating, the requirement arise to establish a business company with different value of its share capital or reserve fund than specified in the privatization decision, the Fund may so proceed upon approval of the Ministry.

(3) In case of permanent Fund property participation in a trading company the Fund executes stockholders rights in joint-stock companies or partners rights in other than joint stock companies in matters involving increase or decrease of the share capital, amendment of the Charter and discontinuation of the company with approval of the authority issuing the privatization decision.

(4) In juridical acts pursuant to Section 1, Subsections (a), (g), (h), (i) and (j) the Fund acts in cooperation with the founders.

(5) The Fund shall also honor claims of qualified persons if their ownership rights to the property were divested by a method pursuant to § 2, Section 3 of the Extra - Judicial Rehabilitation Act (87:1991 /Digest/) in accordance with the time schedule as specified in the privatization decision but within one year latest from issuance of such decision. The Fund shall honor such claims only if the persons qualified have submitted their claims in due time, showing the name and site of the enterprise holding such property.

§ 30

Implementation of activities pursuant to § 28 hereto results in the occurrence of rights and liabilities to the Fund. The Fund is entitled to request legal action in pursuance of its rights before a court or other bodies of jurisdiction, and may be subjected to legal action for being in default of its liabilities or other obligations for whose non-observance it is responsible with its entire property.

Official bodies of the Fund

§ 31

The Presidium

(1) The Presidium is the highest official body of the Fund, consisting of nine members.

(2) The President of the Presidium, the Vice-President and further seven members are elected and recalled by the National Council of the Slovak Republic, based on proposal by the government or by a committee of the National Council of the Slovak Republic, by secret ballot.

(3) With exception of the Vice President of the Presidium, members of the Presidium are not Fund employees. Execution of membership functions shall be subject to remuneration within the range specified in the Charter.

§ 32

Jurisdiction of the Presidium

(1) Jurisdiction of the Presidium includes in particular:

- (a) Nomination and revocation of members of the Executive Committee,
- (b) Approval of the remuneration granted to members of the Executive Committee and principles of compensation of other Fund workers,
- (c) Approval of the agenda of Presidium and Executive Committee meetings.

(2) Responsibilities of the Presidium include in particular:

- (a) Preparation of proposals of use of Fund property pursuant to § 28, Section 3, Subsection (b),
- (b) Preparation of Fund budget proposals,
- (c) Preparation of the annual closing of books of the Fund,
- (d) Preparation of the annual statement of the Fund,
- (e) Preparation of the draft Charter of the Fund,
- (f) Preparation of information and data on Fund activities pursuant to § 40 hereto.

(3) The proposal of use of Fund property pursuant to § 28, Section 3, the budget proposal, annual closing of books and annual statement of the Fund shall be submitted, after debate in the government, to the National Council of the Slovak Republic for approval within deadlines specified in the Charter.

§ 33

Resolutions of the Presidium

(1) The Presidium shall have the quorum in the presence of the simple majority of its members at the meeting. Resolutions are passed by simple majority of votes of all Presidium members.

(2) Documents are signed on behalf of the Presidium by the President, or in his absence by the Vice-President.

The Executive Committee

§ 34

Jurisdiction of the Executive Committee

(1) Activities of the Fund are implemented in accordance with instructions of the Presidium by the Executive Committee of the Fund (hereinafter referred to as the "Committee").

(2) The Committee acts on behalf of the Fund within the scope delimited by the Charter. In such cases written legal acts require the signature of two Committee members for validity. The Charter shall also determine the time and scope of action on behalf of the Fund by members of the Committee, as well as the conditions under which members may authorize others to act on behalf of the

Fund. Members of the Committee authorized to act on behalf of the Fund shall be registered in the Business Register.

- (3) The stipulations of § 33, Section 1 hereto apply similarly.

§ 35

Composition of the Committee

- (1) The Committee consists of eleven members.
- (2) The function of the Chairman of the Committee shall be executed by the Vice-President of the Presidium. The remaining Committee members shall be appointed and recalled by the Presidium.
- (3) Members of the Committee shall elect from among themselves two Vice-Chairmen at most.
- (4) Members of the Committee are employees of the Fund.

The Board of Supervisors

§ 36

Jurisdiction of the Board of Supervisors

(1) The Board of Supervisors of the Fund (hereinafter referred to as the "Board of Supervisors") executes supervision over activities and management of the Fund, its Presidium and Committee from viewpoints of conformity to this law, to other generally binding legislation and to the Charter of the Fund. For this purpose members of the Board of Supervisors shall be entitled to inspect all documents related to Fund activities. The Board of Supervisors shall notify the Presidium, the government, the National Council of the Slovak republic and in justified cases also other relevant authorities on any detected deficiencies.

(2) The Presidium shall, prior to submission to the government, submit the budget proposal, annual closing of books and annual statement for discussion in the Board of Supervisors.

§ 37

Composition of the Board of Supervisors

(1) The Board of Supervisors consists of seven members. The Chairman and further six members shall be elected and recalled by the National Council of the Slovak Republic, upon proposal by a committee of the National Council of the Slovak Republic, by secret ballot.

(2) The Board of Supervisors shall elect its Vice-Chairman from among its members. Execution of membership functions in the Board of Supervisors shall be subject to remuneration within the range specified in the Charter.

(3) Employees of the Fund are not eligible for membership in the Board of Supervisors.

(4) The stipulations of § 33, Section 1 shall similarly apply.

§ 38

Incompatibility of functions

(1) Membership in the Presidium, the Committee and the Board of Supervisors is mutually incompatible, with exception of the function of Vice-President of the Presidium.

(2) Members of the government of the Slovak Republic and of the National Council of the Slovak Republic are not eligible for membership in the Presidium, the Committee and the Board of Supervisors.

(3) Members of the Presidium, the Committee, the Board of Supervisors and employees of the Fund shall not perform activities contrary to Fund interests, particularly accept membership in official bodies of business companies whose business the Fund has property participation in, with exception of Fund employees appointed by the Fund for membership in supervisory bodies of such companies. Members of the Presidium, Committee and Board of Supervisors shall not acquire Fund property, with the exception of stock acquired against investment coupons (§ 22)..

(4) Members of supervisory bodies of business companies nominated by the Presidium shall inform the Presidium on their activities. Details shall be determined by the Charter of the Fund.

§ 39

Members of the Presidium, the Committee and the Board of Supervisors may resign on their respective functions by written notification addressed to the body which had appointed them. In such cases membership shall cease by the date of delivery of such written notification.

§ 40

(1) The Fund shall upon request supply information and data on its activities to the government and to the Ministry, and if so specified by special legislation, to other authorities.

(2) The Fund shall supply information and data on its activities in any case when requested accordingly by the National Council of the Slovak Republic or a committee of the National Council of the Slovak Republic.

§ 40a

Termination of Fund activities

Decisions on the termination of Fund activities, liquidation of the Fund and the method of use of the Fund account balance shall be made by the National Council of the Slovak Republic in the form of a law.

PART SIX

SPECIAL, TEMPORARY AND CONCLUDING STIPULATIONS

§ 41

(1) The state administration bodies of jurisdiction, and the municipalities shall submit for governmental approval within the deadline determined by the government lists of enterprises, and lists of state property participations in businesses of other legal entities which shall be privatized after the date of effectivity of this law. At the same time lists of those enterprises, and lists of those state property participations in businesses of other legal entities which shall not be privatized shall be submitted. The lists shall be presented by the government to debate in the National Council of the Slovak Republic.

(2) Lists of enterprises submitted for approval shall contain, in particular, the name and site of the enterprise, its founder, book value of its property and number of employees. Lists of state property participations in businesses of other legal entities submitted for approval shall, in particular, contain the name and legal form of the legal entity, subject of its business and scope of the state participation in such business.

(3) The Ministry shall determine deadlines for preparation of draft privatization projects.

§ 42 deleted

§ 43

The stipulations of this law applicable to central state administration bodies shall be similarly applied to the Slovak National Bank.

§ 44

Valuation of the property of the enterprise included in the privatization decision shall substitute the appraisal of non-financial deposits in the share capital of joint-stock companies accompanied by expert estimates, as required by special legislation⁹⁾.

§ 45

(1) Enterprises shall not sign ownership transfer contracts related to property used by them to perform business or other economic activities or to meet cultural or social requirements which they have the right of management to, dispose of their property participations in businesses of other legal entities or establish such entities or deposit their assets in the property of such entities. This shall however not apply to cases of contracts on association of financial resources in construction projects where such contracts stipulate transfer of property into trade union ownership.

(2) The stipulations of Section 1 above shall similarly apply to the Slovak Land Fund as the administrator of special parts of state-owned property.

(3) Enterprises may sign lease agreements and other contracts related to the use of property as stipulated by Section (1) above with other persons only for the time until discontinuance of the enterprise without liquidation, or extraction of part of the enterprise pursuant to § 11, Section 1 hereto. In case such contracts were closed for an extended period of time, the right of use of such property shall cease by the day of discontinuance of the enterprise without liquidation or extraction of part of the enterprise. This shall however not apply to lease agreements of non-residential premises closed in accordance with special legislation³⁾, to lease agreements of apartments, and to land lease agreements closed with owners of buildings erected on such land.

(4) Enterprises as lessors shall not enter into purchase contracts of rented objects according to special legislation¹⁰⁾, related to property pursuant to Section 1 above.

⁹⁾ § 163, Section 1, Subsection (e) of the Business Code.

¹⁰⁾ §§ 489 through 496 of the Business Code.

(5) The government may permit exceptions from stipulations of Sections 1 and 4 above in justified cases. The government may determine by decree those cases where acts pursuant to Sections 1 and 4 may be performed without governmental permit and/or determine conditions necessary to meet before a permit may be granted by a central state administration body of the Slovak Republic.

(6) State property participation in businesses of other legal entities may only be disposed of in accordance with the privatization decision on such property participation.

(7) Stipulations of Sections 1, 4 and 5 above shall not apply to legal entities specified in § 1, Section 2 hereto and to budgetary and subsidized organizations.

(8) The right of first option¹¹⁾ cannot be applied to the Fund or the Slovak Land Fund with respect to property of the enterprise and state property participation in the business of other legal entities in accordance with this law.

§ 46

The government shall determine by decree the contents of the coupon book, acquisition price of the coupon book and coupon, details on the registration and substitute registration of the coupon book, individual stages of the privatization round, the method of ordering shares, par value of shares offered against coupons, procedures related to utilization, loss, misappropriation, damage or destruction of coupon pages and publishing methods of information.

¹¹⁾ § 140 of the Business Code.

§ 47

(1) If divestment of ownership rights linked to the privatized property or parts thereof had occurred by a method as stipulated by § 2, Section 3 of the Extra-Judicial Rehabilitation Act (87:1991 /Digest/), persons qualified pursuant to the Act shall have acquired title whose method of fulfilment shall be determined by the privatization decision related to such property; the Ministry shall, upon issuance of the privatization decision, inform in writing without undue delay those qualified persons who had claimed their title pursuant to Section 2 hereto on the approved method and scope of such fulfilment.

(2) Qualified persons shall claim their title at the Ministry within six months from the date of effectivity of this law or such title shall be forfeited; such persons shall at the same time inform the Ministry on the identity of the enterprise holding such property. The Fund shall fulfill titles pursuant to Section 1 above in accordance with the implementation schedule of the privatization project but in any case within one year latest from the date of approval of the privatization project.

(3) The scope, method of claiming and fulfilment of title pursuant to Sections 1 and 2 above shall otherwise be determined by appropriate use of stipulations of the Extra-Judicial Rehabilitation Act (87:1991 /Digest/). Qualified persons disagreeing with the valuation of their title in the approved privatization project may take legal action at court within 15 days from the date of notification on the method of such fulfilment.

(4) In case the title of qualified persons cannot be fulfilled by methods pursuant to Sections 1 through 3 above due to non-issuance of the respective privatization decision until December 31, 1995, such title shall be fulfilled in accordance with stipulations of the Extra-Judiciary Rehabilitation Act (87:1991 /Digest/). Such title may be claimed until June 30, 1996; should the liable person fail to observe the invitation to surrender the respective property, the qualified person may take legal action at court until December 31, 1996.

(5) If claims of qualified persons can be fulfilled by surrendering of the respective property, such claims shall be settled using stipulations of the Extra-Judiciary Rehabilitation Act (87:1991 /Digest/); Section 4 above shall not be applied. Should the liable person fail to observe the invitation to surrender the respective property, the qualified person may take legal action at court.

§ 47a

In case a legal entity specified by § 1 of this law has no rights of management or ownership rights related to property divested by methods pursuant to § 2, Section 3 of the Extra-Judicial Rehabilitation Act (87:1991 /Digest/), then this 87:1991 (Digest) law shall be applied with the purpose to mitigate such property-related cases of hardship. Such title may be claimed until July 31, 1992; should the liable person fail to observe the invitation to surrender the applicable property, the qualified person may take legal action at court until December 31, 1992.

§ 47b

(1) In case of liquidation of organizations specified by § 1 hereto, with exception of budgetary and subsidized organizations, the liquidator shall convert the property into money by sales at a public auction. Other methods may only be used by the liquidator with approval of the Ministry after negotiations with the founder.

(2) Proceedings at public auctions shall be governed by appropriate use of stipulations of the No. 427:1990 (Digest) law on the transfer of state ownership of certain things to other legal entities and natural persons, as amended by later legislation.

SCHEDULE TWO

Legal relations commenced prior to effectivity of this law pursuant to stipulations of Part Four of the 92:1991 (Digest) law on conditions of transfer of state property to other persons, and to stipulations of the No. 383:1991 (Digest) Decree of the government of the Czech and Slovak Federative Republic on the issuance and use of investment coupons, as amended by the No. 69:1992 (Digest) Decree of the government of the Czech and Slovak Federative Republic shall be ruled by legislation currently in force.

SCHEDULE THREE

The term of function of members of the Presidium and the Board of Supervisors as stipulated by the wording presently in force of the 253:1991 (Digest) law of the Slovak National Council on the jurisdiction of authorities of the Slovak Republic in matters of transfer of state property to other persons and on the Fund of National Property of the Slovak Republic as amended by later legislation shall terminate by the date of effectivity of this law. Members of the Presidium and the Board of Supervisors shall perform their respective functions until election of new members of these bodies was accomplished in accordance with this law.

SCHEDULE FOUR

The No. 265:1992 (Digest) law on the registration of real-estate ownership and other material rights is amended and supplemented as follows below:

1. In § 2, Section 3 the second sentence is deleted.
2. § 2 is supplemented with Sections 4 and 5 of the following wording, including footnote No.1:

"(4) Legal effects of the deposit in cases of transfer of state property to other persons in compliance with special legislation¹⁾ arise on the basis of a valid decision on its permission to the date specified in the deposit proposal. Such proposal shall be submitted on the day preceding the proposed inception date of ownership latest.

(5) Each person is entitled to review the file of submitted proposals."

The footnote No. 1 is worded as follows:

"1) The No. 92:1991 (Digest) on the conditions of transfer of state property to other persons, as amended by the laws No. 92:1992 (Digest), 264:1992 (Digest), the constitutional law No. 541:1992 (Digest), 544:1992 (Digest), the No.17:1993 (Digest) law of the National Council of the Slovak Republic, the No.172:1993 (Digest) law of the National Council of the Slovak Republic, the No. 278:1993 (Digest) law of the National Council of the Slovak Republic and the No.60:1994 (Digest) law of the National Council of the Slovak Republic."

3. The wording of the present § 4 shall be designated Section 1 and supplemented with a Section 2, worded as follows including footnote No. 2:

"(2) Proceedings on the permission of deposits in transfers of state property to other persons in compliance with special legislation¹⁾ shall be commenced by the Republic authority of jurisdiction upon proposal of the Fund of National Property of the Slovak Republic. In cases of proceedings in compliance with special legislation²⁾ the Republic authority of jurisdiction shall commence proceedings on the permission of deposit upon proposal of the Fund of National Property of the Slovak Republic, and of the Slovak Land Fund."

The footnote No. 2 is worded as follows:

"2) § 12, Section 2, Subsection (e) of the No. 92:1991 (Digest) law as amended by later legislation."

4. A new § 5a shall be written after § 5, having the following wording:

" § 5a

Proposals submitted pursuant to § 2, Section 4 and § 4, Section 2 shall be decided upon by the Republic authority of jurisdiction within 15 days from delivery of the deposit proposal."

5. § 16, Section 3 is deleted.

SCHEDULE FIVE

The following laws are cancelled: No. 253:1991 (Digest) law of the Slovak National Council on the jurisdiction of authorities of the Slovak Republic in matters of transfer of state property to other persons and on the Fund of National Property of the Slovak Republic, as amended by the No.29:1992 (Digest) law of the Slovak National Council, and by the No.17:1993 (Digest) law of the Slovak National Council.

SCHEDULE SIX

The Chairman of the National Council of the Slovak Republic is authorized to promulgate the full wording of the No. 92:1991 (Digest) law on conditions of transfer of state property to other persons, as amended and supplemented by the laws No. 92:1992 (Digest), 264:1992 (Digest), the constitutional law No. 541:1992 (Digest), 544:1992 (Digest), the No.17:1993 (Digest) law of the National Council of the Slovak Republic, the No.172:1993 (Digest) law of the National Council of the Slovak Republic, the No. 278:1993 (Digest) law of the National Council of the Slovak Republic and by this law, in the Digest of the Slovak Republic.