



The Debt and Liquidity Management Agency





The establishment and the activities of the Debt and Liquidity Management Agency

The establishment of the Debt and Liquidity Management Agency was a part of reforms measures. The goal was to create a modern system of management of the state debt and liquidity management following the best international practice of member countries of the European Union. The reform of public finance management has begun in the year 2002, within the frame of the reform of this sector was established a State Treasury system. Parts of this system are Ministry of Finance of SR, the State Treasury and the Debt and Liquidity Management Agency. Within the frame of the reform of State Treasury system fall under the cognizance of the Ministry of Finance of the Slovak Republic following activities: strategic management of the system (including strategic-conceptual management of the state debt), the control of observance of dedicated strategic scopes and coordination of the building the system of the State Treasury.

The Debt and Liquidity Management Agency (DLMA) has been established as a budgetary organisation linked to the state budget via the budgetary chapter of the Ministry of Finance of the SR under Article 14 of the Act No. 291/2002 Coll. on State Treasury and on changes and amendments of some acts under the Act No. 389/2002 Coll. on State Debt and State Guarantees.

The Agency is a state administration body and, at the same time trader of securities by law (Article 54 of the Act No. 566/2001 Coll. on Securities and Investment Services and on changes and amendments of some acts under later regulations, the Act on State Treasury).

The Agency is represented and managed by a director appointed by the Minister of Finance of the Slovak Republic.

On January 1st, 2004, after successful implementation of information system, the Agency undertook full competence for operative management of the state debt and liquidity.

The main role of the Debt and Liquidity Management Agency within the system of State Treasury is security of activities relating to operative state debt management, state liquidity management and management of whole system of State Treasury, management of financial risks and pursuance of financial operations in the financial market, in particular:

- security of professional debt and liquidity management, i.e. the Agency optimizes the debt structure and related costs on the basis of market analysis, debt portfolio analysis and executed system of risk management,
- improvement of communication with financial and capital market and investors – in co-operation with Ministry of Finance of the Slovak Republic and other institutions actuating in financial and capital market, increasing liquidity and transparency of the government securities market,
- possibility of formulization of strategy and control of strategic scopes and rules observance to Liquidity Management and Hedging Operations Department,
- security of flexibility of operative state debt management,
- support of the integration of Slovak financial market and financial management of public finance with other countries of the European Union on the international level.





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The Debt and Liquidity Management Agency provides in the name of the Ministry of Finance of the Slovak Republic in accordance with valid legislative following activities:

- organizes and realizes redemption of the state debt,
 - secures issuing of government securities,
 - provides settlement of securities and trades,
 - provides payment of nominal values and yields,
 - provides secure assignments of government securities,
 - provides financial operations with investment tools associated with the state debt management including financial derivatives operations associated with the risk management of the state debt and liquidity,
 - provides buy back of the unpaid state debt,
 - provides premature payment of the state debt, if it enables contract documentation or issue conditions,
 - provides financial operations with investment tools including operations with financial derivatives in financial market in terms of temporary discrepancy bypassing between incomes and expenses of the state budget and in terms of security of the liquidity system of the State Treasury.
- provides data to the Ministry of Finance of the Slovak Republic for the purposing of accounting and state debt evidence,
 - provides data to the State Treasury for the purposing of accounting and evidence of financial operations, which were realized in the name of the State Treasury and provided by the DLMA in individual cases,
 - co-operates with the Ministry of Finance of the Slovak Republic and the National Bank of Slovakia in activities related to their fields of activity, which are appointed by law.

Within the co-operation with other organizations provides the Debt and Liquidity Management Agency following activities:

- co-operates with the Ministry of Finance of the Slovak Republic by development of the state debt management,
- provides technical opinions to financial and business conditions of credit agreements to the Ministry of Finance of the Slovak Republic,

