

Pursuant to Article 13a, paragraph 7, Article 13b, paragraph 4 and Article 13c, paragraph 3 of the Law on Financial Leasing (RS Official Gazette, Nos 55/2003, 61/2005 and 31/2011) and Article 15, paragraph 1 of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004 and 44/2010), the Executive Board of the National Bank of Serbia hereby adopts the following

DECISION
ON IMPLEMENTATION OF THE PROVISIONS OF THE LAW ON
FINANCIAL LEASING PERTAINING TO LICENSING AND CONSENTS OF
THE NATIONAL BANK OF SERBIA

I BASIC PROVISION

1. This Decision prescribes detailed terms, conditions and the manner of implementing provisions of the Law on Financial Leasing (hereinafter: the Law) governing the issuance of licenses to engage in financial leasing (hereinafter: leasing), granting consent to the acquisition of ownership of stakes/shares of lessors and granting consent to the appointment of members of the board of directors and executive board of the lessor by the National Bank of Serbia, as well as the terms, conditions and the manner of submitting the prescribed documentation and required evidence.

II ISSUANCE OF THE LEASING LICENSE

Application for the leasing license

2. The application for a license to engage in leasing (hereinafter: the license) shall be submitted to the National Bank of Serbia by the lessor's founders (hereinafter: founders), directly or through a person authorized for such activity (hereinafter: authorised person).

The license application shall contain information on the identity of the founder, legal form, business name and head office of the lessor, lease asset (movable and/or immovable objects), number and date of the act appointing the first members of the lessor's board of directors and the executive board, as well as information establishing the identity of such persons.

In addition to data from paragraph 2 of this Section, the application shall also include information on the identity of the beneficial owner of the founder and associates of the founder.

Beneficial owner of the founder from paragraph 3 of this Section shall mean as defined by the law governing the prevention of money laundering and financing of terrorism.

Associate of the founder from paragraph 3 of this Section shall be:

1) any natural person who is a member of a management body or other responsible person in a legal person in which the founder is in a managerial position or the beneficial owner of that legal person;

2) any natural person who is a beneficial owner of the legal person in which the founder is in a managerial position;

3) any natural person who, jointly with the founder, has the beneficial ownership over the same legal entity.

If the license application is submitted by the authorised person in the name and for the account of the founder, the application shall contain information on the authorised person and the number and date of the authorisation pursuant to which the authorised person files the application.

Information on the identity of the founder – natural person and of the nominated members of the board of directors and the executive board of the lessor shall be name, address of permanent residence and unique personal identification number (for Serbian nationals) and/or passport number and the country of issuance (for foreign nationals).

Information on the identity of the founder – legal person shall be the business name and head office of the founder, number and date of the act on entry of the founder in the relevant registry of legal persons and the name of the body in charge of keeping such registry, pursuant to the regulations of the country of the founder's head office.

Information on the identity of the beneficial owner of the founder and associate of the founder shall be:

– name and surname, address of the permanent residence, the unique personal identification number (for Serbian nationals), and/or passport number and country of issuance (for foreign nationals);

– the basis for regarding these persons as the beneficial owner of the founder, and/or associate of the founder, within the meaning of this Decision.

If the founder is a bank, the license application shall contain the number and date of the decision issued by the National Bank of Serbia granting consent to the bank to found a subordinated company in the financial sector, pursuant to the regulations governing the foundation or acquisition of the bank's subordinated company.

The license application shall be dated and duly verified.

Documentation submitted with the license application

3. The following shall be submitted with the license application:

- 1) founding act of the lessor;
- 2) information on the founders, beneficial owners and associates of the founder, including information on the group of companies the founders belong to (for founders which are legal persons);
- 3) statement on the amount of founders' stakes/shares;
- 4) founder's certified statement in writing confirming that it disposes of its own pecuniary assets in the amount specified in Article 10a, paragraphs 3 and 4 of the Law and that it shall transfer such assets to a suspense account with a bank, as well as the proof of origin of the assets;
- 5) evidence that the lessor has appropriate technical capacities and human resources to engage in leasing activities;
- 6) the lessor's work program for a three-year period with the balance sheet and income statement projections for the year in which the lessor is founded;
- 7) evidence of the founder's rating and opinion of the rating agency, if the founder is the person from Section 4, paragraph 4, item 1) of this Decision;
- 8) information on persons appointed as members of the board of directors and/or executive board and the documentation evidencing the business reputation and professional qualifications of the persons concerned;
- 9) authorisation empowering the authorised person to file the license application in the name and for the account of the founder;
- 10) other documentation required by the National Bank of Serbia.

Founding act of the lessor shall be the founding decision or contract made in accordance with the Law and the law governing companies, dated and duly verified, with leaves bound in a manner which prevents their subsequent return and replacement.

Information on the founders – natural persons shall be:

- 1) certified photocopy of ID card (for Serbian nationals) and/or certified photocopy of the passport (for foreign nationals);
- 2) professional biography and other documentation containing data on professional qualifications, work experience and business reputation of the founder – natural person;
- 3) information on whether the founder is a member of management or supervisory bodies in a legal person, whether they represent or act on behalf of the legal person, whether the founder is the owner or beneficial owner of another person (if yes, information on the basis for regarding the founder as the beneficial owner of that person, within the meaning of this Decision, is also stated);
- 4) certificate not older than six months issued by a competent authority proving that the founder has not been convicted of criminal and other offences and that there are no criminal or other offence proceedings pending against them, and that they have not been prohibited from practicing activity, profession, duty or certain jobs;

5) documentation on the property disposed of by the founder (based on ownership of immovable property, stake in the capital of other persons, money deposits with banks etc.), with an adequate proof of ownership and/or origin of such assets (excerpt from the appropriate registry, bank's certificate, etc.);

6) documentation on founder's obligations – a verified certificate, not older than six months, issued by a competent tax authority to confirm that the founder has settled all tax obligations and a statement issued by the founder on the amount of their total indebtedness in the country and abroad with the specification of creditors and the amounts of their claims on the founder.

7) data on ownership and/or participation of the founder in another legal person including data on the length of ownership in such legal person and the percentage and absolute amount of the founder's ownership in such legal person on the day preceding the date of application, indicating whether the legal person in which the founder has ownership has realized profit based on such ownership and if so, the amount of that profit in the previous three years;

Information on the founders – legal persons shall be:

1) verified copy of the decision or other act on entry of the founder in the register of the body which is, according to the regulations of the country of the founder's head office, competent for keeping the register of business entities and/or legal persons;

2) information on whether the founder is the owner or beneficial owner of another person (if yes, information on the basis for regarding the founder as the beneficial owner of that person, within the meaning of this Decision, is also stated);

3) information on owners of the founder and their founders, down to natural persons, their stakes, as well as persons who are members of the management or supervisory bodies of the founder, and/or persons representing and/or acting on behalf of the legal person supported by appropriate evidence – acts of the competent authority of the country of the founder's head office;

4) certificate not older than six months issued by a competent authority proving that the founder has not been convicted of a criminal and other offences and that there are no criminal or other offence proceedings pending against them, and that they have not been prohibited from practising activity;

5) documentation on the property disposed of by the founder (based on ownership of immovable property, stake in the capital of legal persons, money deposits in banks, etc.), with an adequate proof of ownership and/or origin of such assets (excerpt from the appropriate registry, bank's certificate, etc.);

6) documentation on founder's obligations – a verified certificate, not older than six months, issued by a competent tax authority to confirm that the founder has settled all tax obligations and a statement issued by the founder on the amount of its total indebtedness in the country and abroad with the specification of creditors and the amounts of their claims on the founder, as well as the founder's statement about its total indebtedness in the country and abroad with

the specification of creditors and amounts owned by the founder.

7) report on audit of the founder's financial statements for the previous two years prepared by the certified auditor pursuant to the regulations of the country of the founder's head office and financial statements of that founder for at least one period of the current year;

8) brief overview of business activities of the founder over the past three years and activity plan for the following year;

9) information on ownership and/or participation of the founder in another legal person including information on the length of ownership in such legal person and the percentage and absolute amount of the founder's ownership in such legal person on the day preceding the date of application, indicating whether the legal person in which the founder has ownership has realized profit based on such ownership and if so, the amount of that profit in the previous three years;

The founder which belongs to a group of companies shall submit, along with the license application, information on the group structure, type of activities carried out by the group and its members, persons holding 50% and more voting rights at the group level and the certified auditor's report pertaining to the consolidated financial statements of the group for the last two years.

The statement on the amount of founder's stake/shares shall be a statement by the founder – natural person and/or statement by the legal representative of the founder – legal person specifying the amount of pecuniary and non-pecuniary stakes (expressed in both percentage and absolute amount) based on which founders acquire stakes/shares in the lessor. Where the lessor is a joint-stock company, such statement shall also contain information on the type, number and nominal value of shares.

A verified statement of the founder shall be a dated and duly verified document confirming that the founder disposes of its own pecuniary assets in the amount specified in Article 10a, paragraphs 3 and 4 of the Law and that they shall transfer such assets to a suspense account with a bank, and/or an earmarked account with the National Bank of Serbia if the founder is a foreign national. That statement shall specify the origin of such assets and include an adequate proof of origin.

Evidence of having adequate human resources and technical capacities to engage in leasing shall be:

1) evidence of the right to use business premises (ownership, rent or lease, but the rental/leasing agreement cannot be concluded for less than three years term) at the address specified in the license application to be the lessor's head office, with evidence that such space meets the prescribed requirements on technical equipment, safety at work and environmental protection (decision of the competent authority in the inspection procedure);

2) evidence of purchased and prepared equipment for unhindered leasing

operations – specification of computer equipment and software support necessary for the lessor's operations, which enable access to all the relevant data needed for the conduct of supervisory function of the National Bank of Serbia, along with the documentation specifying how such equipment and/or support was provided;

3) job classification proposal with qualification structure and work experience required for each job and the planned schedule for filling in the classified job vacancies.

The lessor's work program for a three-year period shall be the document containing information on the lessor's planned sources of funding, borrowing schedule, the plan for expansion of business activities and the system of internal controls for identification, measurement, assessment and management of risks. Projection of the balance sheet and income statement for the year in which the lessor is established, prepared in compliance with the regulations, shall be submitted with the program.

Information on nominated members of the board of directors and/or executive board of the lessor as well as documentation evidencing the business reputation and professional qualifications of the concerned persons shall be data and documentation prescribed by Section 9 of this Decision.

Authorisation empowering the authorised person to submit the license application in the name and for the account of the founder shall be a dated and duly verified document issued by the founder containing data on the authorised person and their scope of authorisation in the licensing procedure (name and surname, address, phone number, information showing whether the person is authorised to undertake all actions in the licensing procedure or only those that are specified).

Where the founder is a bank licensed by the National Bank of Serbia, the documentation prescribed in paragraph 1, items 2) to 4) of this Section is not required when submitting license application.

Prior to issuing the license, the National Bank of Serbia shall inform the founder of the obligation to transfer the funds referred to in Article 10a, paragraphs 3 and 4 of the Law to a suspense account with a bank (where the founder is a domestic person), and/or to the earmarked account with the National Bank of Serbia (where the founder is a foreign person) and to submit evidence thereof.

Criteria for assessing business reputation and financial standing of the founder and other prescribed licensing requirements

4. When considering the application and documentation from Section 3 of this Decision and other available documentation, the National Bank of Serbia shall assess if the legal licensing requirements are met and assess business reputation of the founder and qualifications and business reputation of nominated members of the board of directors and/or executive board of the lessor, particularly assessing:

- 1) If the founder has sound business reputation;
- 2) If the founder's financial standing is satisfactory in terms of providing adequate support to the lessor's operations;
- 3) If the proposed work program for a three-year period is adequate;
- 4) If the structure of the group to which the founders belong is transparent;
- 5) If the nominated members of the boards possess adequate professional qualifications and qualities and/or adequate business reputation.

If the founder is a natural person, their business reputation shall be assessed based on information on their work history and qualifications, their moral integrity (such person must not have been convicted of a criminal or commercial offence, nor have criminal or commercial offence proceedings pending against them), the size of their ownership and/or participation in a legal person, and whether they are a member of the management or supervisory body in another legal person.

Business reputation of the founder – natural person shall be judged based on their overall work experience and engagement, qualifications and moral integrity, particularly:

- 1) business results of legal persons in which the founder had ownership rights, was a member of the management/supervisory body, and/or which they represented/on whose behalf they acted;
- 2) professional qualifications;
- 3) information from the records of competent authorities proving that the founder and/or their related person have not been convicted of a criminal offence to an unconditional prison sentence by a final judgement; that they have not been convicted of criminal and other offences which make them ineligible; that there are no criminal offence or other court proceedings pending against them which makes them ineligible; that they have not been prohibited from practising activity, profession, and certain jobs;
- 4) evidence that founders' beneficial owners and associates have not been convicted of criminal offences.

Business reputation of the founder – legal person shall be assessed based on information on that person's owners and the amount of their stakes in the founder, down to natural persons holding participation in such person, based on:

1) information from reports on audit of the founder's financial statements for the last two years and financial statement for at least one period of the current year;

2) information on the amounts of founder's participation in other legal persons and the amount of profit realised by other legal persons in the last three years, as well as on the structure of the group the founder belongs to;

3) information from the records of competent authorities proving that the founder and/or its related person have not been convicted to an unconditional prison sentence by a final judgement; that they have not been convicted of criminal and other offences which make them ineligible; that there are no criminal offence or other court proceedings pending against them in which they could be found guilty of an offense which makes them ineligible; that they have not been prohibited from practising activity, profession, duty, and certain jobs;

4) evidence that founders' beneficial owners and associates have not been convicted of criminal offences.

Criminal and other offences referred to in paragraph 3, items 3) and 4) and paragraph 4, items 3) and 4) of this Section which make the perpetrator ineligible and due to which business reputation of that person cannot be assessed as sound by the National Bank of Serbia, shall particularly be:

1) criminal offences against economy, property, legal transactions, public order, official duty or judiciary, criminal offences of money laundering or terrorism financing or criminal offences for which an unconditional prison sentence has been pronounced or other similar or comparable criminal offences in accordance with the regulations of a foreign country;

2) an offence committed in the past ten years, which is a grave violation and/or repeated violation of regulations governing the prevention of money laundering and terrorism financing.

Where, for justifiable reasons, they are unable to obtain evidence of non-conviction referred to in paragraph 3, item 4) and paragraph 4, item 4) of this Section – the founder's statement given under financial and criminal liability confirming that their beneficial owners and associates have not been convicted, may also be submitted. The National Bank of Serbia may, at any time, request that the founder submits evidence of non-conviction of those persons or request that evidence directly from the competent authority.

If the founder is a legal person, its business reputation shall be judged based on information on its owners and the amount of their stakes in the founder, down to natural persons holding participation in such person, as well as based on the reports on audit of the founder's financial statements for the last two years and financial statement for at least one period of the current year, as well as based on information on the amount of the founder's participation in other legal persons and the amount of profit realised by other legal persons in the last three years, the structure of the group the founder belongs to and/or other data based on which it

can be reasonably expected that such person shall exercise long-term positive influence on the lessor.

The founder's financial standing shall be deemed satisfactory if:

1) the founder is a bank or international financial organisation that has been awarded no less than C individual rating in the latest ranking by Fitch, or no less than C financial strength rating as graded by Moody's, or if such bank or international financial organisation has been awarded no less than BBB long-term credit rating in the latest ranking by Standard & Poor's or Fitch, and/or no less than Baa3 issuer rating as graded by Moody's; or

2) the founder's liquidity and solvency and sources of funding that are actually available to the founder constitute adequate support for the lessor's operations and ensure long-term positive influence on its operations, particularly in terms of the ability to provide additional capital.

The lessor's proposed work program for a three-year period shall be deemed adequate if it contains consistent data on expected sources of funding, planned sources of capitalisation, target group of lessees and structure of lease assets that shall be offered during that period, as well as if such data are in compliance with the data from the balance sheet and income statement projections for the year in which the lessor is founded and all the stated data lead to a reasonable assumption that the lessor's operations will be safe and stable.

Transparency of the structure of the group to which founders belong shall be assessed based on data on members and type of business activities of such group, mutual links between members in terms of ownership and management and all the persons with over 50% participation in the group, as well as based on the report on audit of consolidated financial statements of such group for the previous two years and consolidated financial statements for at least one period of the current year.

Professional qualifications and qualities, and/or business reputation of nominated members of the board of directors and/or executive board of the lessor shall be established and assessed pursuant to provisions of Section 10 of this Decision.

The National Bank of Serbia shall revoke the licence from the lessor when it no longer fulfils the conditions required for obtaining a licence stipulated by this Decision.

III GRANTING CONSENT TO THE ACQUISITION OF OWNERSHIP OF STAKES/SHARES OF THE LESSOR

Application for consent to the acquisition of ownership of stakes/shares of lessor

5. No person may acquire direct or indirect ownership over the stakes/shares of the lessor that provide the owner of such stakes/shares 10% or more of voting rights in such lessor without the decision of the National Bank of Serbia granting consent to such acquisition (hereinafter: consent to the acquisition of ownership).

The National Bank of Serbia shall issue the decision from paragraph 1 of this Section in response to the application of the potential acquirer (hereinafter: acquirer) or person authorised by the acquirer to file such application in the name and for the account of the acquirer.

The application from paragraph 2 of this Section shall also contain information on:

- 1) the identity of the acquirer;
- 2) business name and head office of the lessor in which the acquirer wishes to acquire ownership;
- 3) the identity of the beneficial owner of the acquirer;
- 4) the identity of the acquirer's associate;
- 5) the percentage of ownership that the acquirer intends to acquire;
- 6) information on the person authorised to file the application.

If the acquirer is a bank with the head office in the Republic of Serbia acquiring 20% and more voting rights in the lessor, the application referred to in paragraph 2 of this Section shall specify the number and date of the decision by which the National Bank of Serbia granted consent to that bank to acquire ownership of stakes/shares of the lessor, pursuant to the regulation governing consents for foundation or acquisition of a bank's subordinated company.

Information on the acquirer's identity referred to in paragraph 3, item 1) and the beneficial owner of the acquirer and the associate of the acquirer referred to in paragraph 3, items 3) and 4) of this Section shall be information referred to in Section 2, paragraphs 4, 5, 7 and 9 of this Decision prescribed for the founder, beneficial owner and the associate of the founder.

The application referred to in this Section shall be dated and duly verified.

Documentation submitted with the application for consent to the acquisition of ownership

6. Along with the application for consent to acquiring ownership over

stakes/shares of the lessor providing to the acquirer 10% and more of voting rights, the following shall also be submitted:

1) information on the acquirers, beneficial owners and associates of the acquirers, including data on the group of companies the acquirer belongs to (for acquirers which are legal persons);

2) statement of the acquirer on the amount of contribution in stakes/shares they intend to acquire;

3) statement of the acquirer on the origin of assets they intend to invest in the stakes/shares of the lessor, supported with the documents proving such statement;

4) activity plan of the acquirer for the period not shorter than three years, which particularly includes a detailed development plan of the lessor (impact on management and organisation of the lessor, changes to risk management, internal controls and information system, etc.) for the acquirer of stakes/shares in the lessor intending to acquire ownership providing over 50% of voting rights;

5) information from the records of competent authorities proving that the acquirer and persons in which they had ownership rights, in which they were a member of the management/supervisory body and/or which they represented and/or on whose behalf they acted, and their beneficial owner and associate – have not been convicted of the criminal offence referred to in Section 4, paragraph 5 hereof and that there are no criminal offence or other court proceedings pending against them for an offence from that paragraph;

6) other documentation required by the National Bank of Serbia.

By way of exception from paragraph 1 hereof, if the acquirer is a bank licensed by the National Bank of Serbia, the application for consent to the acquisition of ownership does not need to be accompanied by the documentation and data on the acquirer and on the group of companies the acquirer belongs.

Documentation and information on the acquirer, the group of companies to which the acquirer belongs and the amount of stakes/shares the acquirer intends to acquire in the lessor shall be information and documentation prescribed for founders by Section 3, of this Decision.

Requirements for consent to the acquisition of ownership

7. In the procedure regarding the application for consent to the acquisition of ownership, the National Bank of Serbia shall issue a decision granting consent to the acquisition of ownership if the following conditions are met:

1) documentation stipulated in Section 6 of this Decision accompanies the application;

2) the acquirer, and/or person providing funds to the acquirer for the purchase of stakes/shares in the lessor has a good business reputation and the financial standing which constitutes adequate support to the lessor's operations;

3) the structure of the group to which the acquirer belongs can be assessed as transparent;

4) funds which the acquirer intends to use to purchase stakes/shares in the lessor originate from legitimate sources.

Business reputation of the acquirer and/or person providing funds to the acquirer for the purchase of stakes/shares in the lessor, their financial standing and transparency of the group the acquirer belongs to shall be assessed in the manner stipulated in Section 4, of this Decision for the lessor's founders.

The origin of funds used for the purchase of stakes/shares in the lessor shall be assessed based on the statement of the acquirer as to the origin of such funds and the documentation proving the assertions from such statement.

The National Bank of Serbia shall issue a decision ordering the person which no longer fulfils conditions based on which it obtained the consent from paragraph 1 of this Section, the alienation of that ownership and it shall prohibit the person from exercising voting rights in the lessor.

IV GRANTING CONSENT TO THE APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD OF THE LESSOR

Application for consent to the appointment of members of the board of directors and of the executive board of the lessor

8. The lessor shall submit to the National Bank of Serbia the application for consent to the appointment of members of the board of directors and/or executive board of the lessor (hereinafter: consent to the appointment) within seven days from the adoption of the draft decision on the appointment.

The request for consent to the appointment shall contain information on the lessor's business name and head office, identity of the nominated members of the board of directors/executive board of the lessor, and their associates within the meaning of Section 2, paragraph 5 hereof, the number and date of the draft decision prepared by the lessor's competent body on nomination of a member of the board of directors and/or executive board, information on the person authorised by the lessor to submit the application for consent to the appointment in the name and for the account of the lessor, as well as the number and date of such authorisation.

Information on the identity of the nominated member of the board of directors/executive board of the lessor and his/her associate from paragraph 1 of this Section shall be their name and surname, address of permanent residence and unique personal identification number (for Serbian nationals) and/or country of issuance and passport number (for foreign nationals).

The application for consent to the appointment shall be dated and duly verified.

By way of exception from paragraph 1 hereof, the National Bank of Serbia shall issue the decision granting consent to the appointment of the first members of the board of directors/executive board of the lessor at the request of the lessor's founder in the course of the licensing procedure.

Documentation submitted with the application for consent to the appointment

9. Along with the application for consent to the appointment, the lessor shall submit the following documentation:

1) Draft decision of the lessor's competent body on the nomination of a member of the board of directors/executive board, along with evidence showing whether such person has direct or indirect ownership in the lessor or in a member of the group of companies to which the lessor belongs;

2) certified photocopy of ID card (for Serbian nationals) and/or of the passport (for foreign nationals) of the nominated member of the board of directors/executive board of the lessor (hereinafter: nominated person);

3) evidence that the nominated person has the necessary professional qualifications;

4) evidence that the nominated person has two years of work experience in a managerial position in the financial sector or three years of work experience in a managerial position in a company, and/or four years of work experience in the field of finance;

5) professional biography of the nominated person.

6) information from the records of competent authorities proving that the nominated person has not been convicted to an unconditional prison sentence ; that they have not been convicted of criminal and other offences which make them ineligible; that there are no criminal offence or other court proceedings pending against them in which they could be found guilty of an offense which makes them ineligible; that they have not been prohibited from practising activity, profession, duty, and certain jobs;

6a) evidence of non-conviction of associates of the nominated person;

7) statement by the nominated person that on the day of initiation of the bankruptcy proceedings and/or revocation of the operating license or six months prior to that day, the nominated person was not authorized to represent and act on behalf of, and/or was not a member of a management and/or supervisory body of the company whose predominant operation is financial intermediation, within the meaning of the regulations governing the classification of activities, against which a bankruptcy proceedings was instigated or whose operating license was revoked – if the time period from the revocation of the operating license to the

submission of the application is no longer than three years;

8) letter of reference presenting an opinion and arguments which confirm the expertise and abilities of the nominated person;

9) other documentation required by the National Bank of Serbia.

Where for justifiable reasons it cannot obtain evidence of non-conviction referred to in paragraph 1, item 6a) of this Section, the lessor may also submit a statement given by nominated persons under financial and criminal liability confirming that their associates have not been convicted. The National Bank of Serbia may at any time request that the lessor submits evidence of non-conviction of those persons or request that evidence directly from the competent authority.

Criminal and other offences referred to in paragraph 1, items 6) and 6a) of this Section which make the perpetrator ineligible and due to which business reputation of that person cannot be assessed as sound by the National Bank of Serbia, shall particularly be:

1) criminal offences against labour, economy, property, legal transactions, public order, official duty, constitutional order and security or judiciary, criminal offences of money laundering or terrorism financing or criminal offences for which an unconditional prison sentence has been pronounced or similar or comparable criminal offences in accordance with the regulations of a foreign country;

2) offence committed in the past ten years, which is a grave violation and/or repeated violation of regulations governing the prevention of money laundering and terrorism financing.

Evidence of the required professional qualifications of the nominated person shall be the original or certified photocopy of at least a three-year Bachelor's Degree issued by a higher education institution in the country or abroad. If the degree was awarded by a higher education institution abroad, the National Bank of Serbia may require that a decision of a Serbian independent higher education institution is submitted recognising that the holder of such degree shall be deemed to have, for employment purposes, a three- year Bachelor's Degree pursuant to the law governing higher education.

Evidence of the required work experience of the nominated person and/or experience acquired in a managerial position shall be a document (professional biography, employment contract, decision on appointment to a certain job, letter of reference etc.) based on which it can be established that:

1) such person was a member of the management body in a financial sector person or has managed its operations or performed consultancy work in the management body of such person for a minimum of two years;

2) such person was a member of the management body in a company in

the field of finance for a minimum of three years;

- 3) such person worked in the field of finance for a minimum of four years.

Professional biography of the nominated person shall be a document containing information on their professional qualifications and previous work experience, and/or engagement, duly verified by the signature of the nominated person.

Letter of reference presenting an opinion and arguments to confirm the expertise and abilities of the nominated person shall be the statement by at least two persons in the field of finance who, through their successful work in the field, acquired professional and personal reputation; such persons may not be members of the management body of the lessor to whose board of directors/executive board the person is nominated, but may be members of the management body of another lessor, persons who manage (or have managed) other financial sector person, or scientists, university professors, persons who manage (or have managed) financial supervisory bodies and have attested themselves, through their personal and professional contacts, to the expertise, abilities and moral qualities of the nominated person.

Requirements and procedure of granting consent to the appointment

10. In the procedure of deciding on the application for consent to the appointment, the National Bank of Serbia shall issue a decision granting consent to the appointment if all the stipulated documentation has been submitted along with the application and if, based on such documentation and other documentation available to the National Bank of Serbia, it is established that the nominated person has good business reputation as well as personal and professional integrity, professional qualifications and ability to manage the lessor.

The lessor shall submit to the National Bank of Serbia the decision on the appointment of a member of the board of directors/executive board within seven days from the adoption of such decision.

The lessor shall inform the National Bank of Serbia of the dismissal or resignation of a member of the board of directors/executive board within seven days from such dismissal/resignation and state the reasons thereof.

The National Bank of Serbia shall request from the lessor's competent body to dismiss a member of the board of directors/executive board if, after the adoption of the decision referred to in paragraph 1 of this Section, such person or his/her associate is convicted of an offence from Section 9, paragraph 3 of this Decision.

11. Along with the application for consent to the reappointment of a member of the board of directors/executive board of the lessor (re-election), the lessor shall submit the following documentation:

- 1) draft decision of the lessor's competent body on the reappointment;
- 2) certificate, not older than six months, issued by the competent authority from Section 9, paragraph 1, item 6) of this Decision;
- 3) other documentation required by the National Bank of Serbia.

Based on the documentation available to the National Bank of Serbia and documentation from paragraph 1, items 2) and 3) hereof, the National Bank of Serbia shall assess whether the requirements for the consent to the reappointment of a member of the board of directors/executive board of the lessor are met.

The lessor shall submit the application from paragraph 1 hereof to the National Bank of Serbia within seven days from the day of the adoption of the draft decision on re-election and not later than 30 days prior to the expiry of the mandate of the person referred to in that paragraph, in order to ensure timely consent for such person's reappointment, i.e. in order to ensure continuity of work of the board of directors/executive board of the lessor.

V SUBMISSION OF THE PRESCRIBED DOCUMENTATION AND EVIDENCE

12. The documentation submitted pursuant to this Decision shall be in the original or a certified copy.

The documentation referred to in paragraph 1 hereof shall be in Serbian, and if in a foreign language, the translation into the Serbian language certified by a sworn-in-court interpreter shall be enclosed to the original or certified copy of the document.

13. When submitting application referred to in this Decision, the applicants shall submit to the National Bank of Serbia, in addition to the documents stipulated by the Decision, a bank receipt of payment of fee pursuant to the decision stipulating the uniform fee National Bank of Serbia charges for its services and a bank receipt of payment of the republic administrative fee pursuant to the regulations governing the payment of such fee.

14. Within the meaning of this Decision, a duly verified application of a legal person shall be the application verified by the signature of the authorised person of such legal person and by the legal person's stamp, except when the applicant is a legal person with the head office in a country in which verification by a stamp is not mandatory.

Within the meaning of this Decision, a duly verified application by a natural person or person authorised to represent them him/her shall be the application verified by the signature of such natural person.

15. The lessor shall submit the application for registration to the agency in charge of keeping the register of business entities, on all the changes in respect of which the consent of the National Bank of Serbia is required, in accordance with the Law and this Decision. The lessor shall also submit to the National Bank of Serbia the evidence thereof.

VI FINAL PROVISIONS

16. As of the effective date of this Decision, the Decision on Implementation of Provisions of the Financial Leasing Law Relating to the Issuance of Licenses and Approvals by the National Bank of Serbia (RS Official Gazette, Nos 81/2005 and 60/2007) shall cease to be valid.

17. This Decision shall come into effect on the eighth day following its publication in the RS Official Gazette.

NBS Executive Board No 82
11 November 2011
Belgrade

Chairman
of the Executive Board of the
National Bank of Serbia
Governor
of the National Bank of Serbia
Dejan Šoškić