

Pursuant to the provision of Article 66 of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003 and 55/2004), Governor of the National Bank of Serbia hereby issues the following

DECISION
SPECIFYING CONDITIONS FOR GRANTING AND REVOKING AUTHORIZATION TO BANKS
TO ENGAGE IN FOREIGN TRANSACTIONS

1. The National Bank of Serbia shall grant to a bank, at its request, an authorization for the performance of foreign payment and foreign credit operations (hereinafter: authorization to engage in foreign transactions) provided that such bank has met the following conditions:

1) that it has been granted an operating license by the National Bank of Serbia, and entered into the register of business entities;

2) that it is technically equipped and organized to ensure that foreign transactions are conducted efficiently and in compliance with international standards;

3) that staff in organizational units of such bank who are in charge of handling foreign transactions are qualified for their performance and have working knowledge of the foreign language used, and that the managers of such organizational units are fluent in one of the world's major languages.

2. The bank that has obtained authorization to engage in foreign transactions shall be obligated to:

1) establish a network of correspondent relations and open current accounts with foreign banks within 90 days from the date of issuance of authorization to engage in foreign transactions;

2) inform the National Bank of Serbia of its accounts opened abroad – within 15 days from the date of opening of such accounts;

3) perform foreign transactions' related obligations in the country and abroad with due diligence and in a timely manner and to adhere to international rules and customs and domestic regulations;

4) maintain the level of liquidity in compliance with regulations governing risk management;

5) settle obligations towards the National Bank of Serbia with due diligence and in a timely manner as well as obligations towards other banks in the country.

3. The authorization to engage in foreign transactions shall be issued in the form of a resolution that shall be final in character.

4. The National Bank of Serbia may revoke the authorization to engage in foreign transactions issued to a bank if the bank does not comply with the conditions stipulated in Sections 1 and 2 hereof.

The authorization to engage in foreign transactions shall be revoked by a resolution that shall be final in character.

5. The bank that has obtained the authorization to engage in foreign transactions prior to entry into force hereof shall continue to perform these transactions pursuant to Section 2 thereof.

6. The Decision on the Conditions for the Issuance of Authorization to Banks for Foreign Operations, as well as Conditions for the Revoking of these Authorizations (RS Official Gazette, No 76/2004) shall cease to be valid as of the date of entry into force hereof.

7. This Decision shall enter into force on the day following its publication in the RS Official Gazette.

D. No. 1
12 January 2007
Belgrade

GOVERNOR
National Bank of Serbia

Radovan Jelašić