

Pursuant to Article 151, paragraphs 4 and 7 and Article 158, paragraphs 2 and 6 of the Law on Payment Services (RS Official Gazette, No 139/2014) and Article 59, paragraph 2 of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015 and 40/2015 – CC decision), the Governor of the National Bank of Serbia issues the following

**D E C I S I O N**  
**ON THE CONDITIONS AND MANNER OF GRANTING LICENSE FOR  
PAYMENT SYSTEM OPERATION AND GRANTING APPROVAL FOR  
AMENDMENTS AND SUPPLEMENTS TO PAYMENT SYSTEM RULES**

**INTRODUCTORY PROVISION**

1. This Decision sets out the conditions and manner of granting the license for payment system operation and granting approval for amendments and supplements to payment system rules.

**GRANTING THE LICENSE FOR PAYMENT SYSTEM OPERATION**

**Application for the license for payment system operation**

2. A legal person which intends to manage payment system operation shall submit to the National Bank of Serbia an application to obtain the license for payment system operation (hereinafter: license).

**Documentation submitted along with the application for license**

3. Along with the application for license, the legal person referred to in Article 144, paragraph 3 of the Law on Payment Services (hereinafter: Law) shall submit the following documents and evidence:

- 1) decision on registration in the register of business entities and/or a certificate of registration with the competent body;
- 2) articles of incorporation and/or articles of association;
- 3) business plan for the first three years of operation of the payment system that demonstrates the legal person's ability to ensure the fulfilment of appropriate organisational, personnel, technical and other requirements for safe and sound operation of the payment system;
- 4) evidence that it holds the prescribed level of initial capital;
- 5) proposal of payment system rules;
- 6) adhesion contract concluded between the legal person and participant in the payment system by which participants accept rules of

operation of that system, which produces legal effect when the legal person receives the license, and/or a proposal of this contract with statements of future participants in the payment system declaring that they will conclude this contract immediately upon receipt of the license;

7) description of the governance and internal controls systems, and the description of risk management;

8) data on members of the legal person's managing bodies, accompanied with data and evidence of their good business reputation, appropriate professional qualifications and experience;

9) data on payment system directors, accompanied with data and evidence of their good business reputation, appropriate professional qualifications and experience;

10) data on persons having a qualifying holding in the legal person, the size of their holding and evidence regarding the capability of those persons to ensure safe and sound management of payment system operation;

11) data on the external auditor of financial statements of the legal person for the year in which the application is submitted, if such audit is mandatory for the legal person, in accordance with law.

The legal person referred to in Article 144, paragraph 2, items 2) and 3) of the Law, which intends to manage payment system operation, shall submit to the National Bank of Serbia an application for license, along with the documentation referred to in paragraph 1, provisions 3), 5), 6), 7) and 9) of this Section.

The legal person referred to in Article 144, paragraph 2, items 4) and 5) of the Law, which intends to manage payment system operation, shall submit to the National Bank of Serbia an application for license, along with the documentation referred to in paragraph 1, provisions 3), 4), 5), 6), 7) and 9) of this Section.

Along with the application for license, the legal person referred to in paragraphs 1 to 3 of this Section shall deliver other documentation and/or data considered necessary by the National Bank of Serbia.

#### **Articles of incorporation/articles of association**

4. Articles of incorporation and/or articles of association must contain elements, i.e. data prescribed by the law governing the legal status (incorporation, legal form, etc.) of a legal person.

#### **Business plan for the first three years of operation of the payment system**

5. The business plan for the first three years of operation of the payment system shall contain data referring to the planned activities of an operator regarding the operation of a payment system, in particular:

- description of internal organisation of activities and classification of all jobs by incumbent, the qualifications of incumbents and work experience for each job;
- basis for using business premises – ownership, rental or lease, specifying the period for which the rental or lease contract was concluded, which cannot be shorter than three years;
- hardware and software specification, stating the manner in which they were and/or will be provided;
- planned revenue and expenditures from managing the operation of a payment system by year, etc.

#### **Evidence that the legal person holds the prescribed level of initial capital**

6. Evidence that the legal person holds the level of initial capital prescribed by Article 152 of the Law shall be considered a financial statement for the prior business year, as well as a certified auditor's opinion, if such audit is mandatory for the legal person in accordance with law, and/or other documentation proving that the legal person holds the prescribed level of initial capital (e.g. statement from the register of business entities, etc.).

Prior to the submission of the decision granting the license, the legal person is obliged to provide the National Bank of Serbia with appropriate evidence that it shall hold the prescribed level of initial capital on the day of receipt of that decision.

#### **Proposal of payment system rules**

7. A proposal of payment system rules must contain the elements prescribed by Article 148 of the Law, taking into account the provisions of the decision governing safe and sound operation of the payment system.

#### **Description of the governance and internal controls systems, description of risk management**

8. Description of the governance system shall be considered a description of internal organisation of work and the process of decision-making on payment system operation and risk management, and a description of reporting to the legal person's competent body on payment system operation.

Description of the internal controls system shall be considered a description of the method of implementing control activities relating to payment system operation, including internal audits.

Description of risk management shall be considered a description of risk management policy, risk management processes, and the method of reporting on risks.

### **Data on persons who are members of the legal person's managing bodies and on payment system directors**

9. Data on persons who are members of the legal person's managing bodies and on payment system directors, and data and evidence that these persons have a good business reputation and appropriate professional qualifications and experience shall be considered:

1) certificate of the competent body that the person has not been convicted of a criminal offence by final judgment and pronounced unconditional prison sentence or has been not convicted by final judgment of a criminal offence which makes him unsuitable for exercising this function;

2) certificate of the competent body that the person has not been imposed an effective safeguard measure prohibiting the performance of a business activity making him unsuitable for exercising this function;

3) certified statement of persons – members of the legal person's managing bodies and/or payment system director, given on the form in Annex 1 enclosed to this Decision and integral thereto;

4) evidence of appropriate professional qualifications and work experience required for payment system management for persons – payment system directors, such as a diploma, certificate, employer's certificate, contract of employment;

5) photocopy of ID card (for citizens of the Republic of Serbia) and/or passport (foreign citizens).

Persons – members of the legal person's managing bodies and payment system directors shall be deemed to have the appropriate professional qualifications if, within the meaning of regulations governing higher education, they have finished the first level of higher education of basic academic studies lasting minimum four years.

Persons – members of the legal person's managing bodies shall be deemed to have the appropriate work experience if they have no less than three years of experience in holding a management position in a financial sector person, or no less than six years of experience in finance and banking or in holding a management position in an undertaking.

Persons – payment system directors shall be deemed to have the appropriate work experience if they have no less than three years of experience in holding a management position in a financial sector person or in an undertaking whose business activity is similar to the activities relating to payment system operation.

If the person – member of a legal person's managing body is at the same time a member of a managing body of a bank licensed by the National Bank of Serbia, instead of data and evidence referred to in paragraph 1 hereof the following data shall be delivered: name and surname of the person – member of the managing body, business name and head office of the bank in whose managing body this person is a member, and the person's function in that bank.

### **Data on persons having a qualifying holding in the legal person**

10. Data on persons having a qualifying holding in the legal person, the size of their holding and evidence regarding the ability of those persons to ensure safe and sound management of payment system operation shall be considered:

1) data given in the list of persons having a qualifying holding, as follows: name, surname and address of permanent residence of the natural person, and/or business name and address of the legal person's head office, the size of its holding, and/or description of the manner in which the person effectively exercises influence over the management of the legal person – applicant;

2) photocopy of a personal document if the person having a qualifying holding is a natural person, or a certificate of registration in the register of a competent body, if the person having a qualifying holding is a legal person;

3) evidence of a good business reputation of a natural person having a qualifying holding referred to in Section 9, paragraph 1, provisions 1) and 2) hereof;

4) evidence of a good business reputation of members of the managing bodies of a legal person having a qualifying holding referred to in Section 9, paragraph 1, provisions 1) and 2) hereof;

5) financial statement for the prior business year and a certified auditor's opinion if the person having a qualifying holding is subject to audit of financial statements in accordance with law;

6) evidence that the natural person having a qualifying holding is not a taxpayer, and/or evidence of the competent body that all tax liabilities are settled;

7) data on property status of the natural person having a qualifying holding, and/or on own funds (real estate, holding in other legal persons,

money deposits with banks, etc.), including evidence on that ownership and origin of those funds;

8) statement on indebtedness of the natural person having a qualifying holding with domestic and foreign legal and natural persons, including specification of those persons and the amount of debt;

9) data on the group of undertakings to which the person having a qualifying holding belongs, and data on ownership structure of undertakings in the group, including appropriate evidence (e.g. report on the audit of consolidated financial statements of the group for the prior year, etc.);

10) if the person having a qualifying holding is a legal person – data on the ownership structure of that person, down to natural persons, and the size of their holding;

11) statement on the source of funding for the acquisition of a qualifying holding.

By way of derogation from paragraph 1 hereof, if one or more persons having a qualifying holding in the legal person – applicant, is a financial institution licensed by the National Bank of Serbia, the document referred to in provision 1) thereof shall be submitted.

### **Data on the external auditor**

11. If the audit of financial statements is mandatory for the legal person in accordance with law, along with specifying data on the external auditor which audits financial statements of the legal person in the year in which the application is submitted, a letter of engagement of that auditor shall also be submitted.

### **GRANTING APPROVAL FOR AMENDMENTS AND SUPPLEMENTS TO PAYMENT SYSTEM RULES**

12. The payment system operator shall submit to the National Bank of Serbia the application for approval for amendments and supplements to the elements of payment system rules, in accordance with Article 148 of the Law, along with the following:

1) proposal of amendments and supplements to payment system rules, as well as the consolidated text of those rules containing proposed amendments and supplements;

2) explanation of proposed amendments and supplements and an assessment of their impact on risk management in the payment system.

In the approval granting process referred to in paragraph 1 hereof, the National Bank of Serbia shall grant its approval with a decision, provided that proper documents referred to in that paragraph have been submitted, and

that the proposed amendments and supplements to the elements of payment system rules are in accordance with the Law and regulations adopted based on that Law.

The operator is obliged to submit to the National Bank of Serbia a photocopy of the adopted text of amendments and supplements to payment system rules, and the consolidated text of payment system rules whose amendments were approved – within three days from their adoption.

#### CHANGE OF DATA IN THE DOCUMENTATION AFTER SUBMITTING APPLICATIONS

13. If, upon submitting the application for issuance of the license and the application for granting approval for amendments and supplements to the elements of payment system rules, and before the National Bank of Serbia has issued such license and/or approval, data submitted with the application have changed – the legal person shall immediately notify the National Bank of Serbia thereof and provide new information.

#### SUBMITTING THE PRESCRIBED DOCUMENTATION

14. The prescribed documentation submitted pursuant to this Decision shall be either originals or photocopies certified in accordance with regulations, except the documentation which can be verified by accessing public registers of competent bodies. The documents cannot be older than six months.

The documentation referred to in paragraph 1 hereof must be in the Serbian language. If the documentation is in another language, its translation into the Serbian language certified by an authorised court interpreter shall be delivered with the original document or its photocopy.

15. The legal person that obtained the license for payment system operation shall submit to the National Bank of Serbia the rules of that payment system no later than the day following their adoption.

#### FINAL PROVISION

16. This Decision shall enter into force on the eighth day following its publication in the RS Official Gazette and shall apply as of 1 October 2015.

D. No 3  
2 June 2015  
Belgrade

Governor  
National Bank of Serbia

