

Pursuant to Article 17, Section 4 and Article 68 of the Law on the National Bank of Serbia («Official Gazette of the Republic of Serbia» No. 72/2003) the Governor of the National Bank of Serbia hereby issues the following

GUIDELINES

REGARDING THE OBLIGATION AND METHODOLOGY OF RECORDING, COMPILING, PROCESSING AND DELIVERY OF INFORMATION ON STATEMENT OF ACCOUNTS AS REPORTED IN BOOKS OF BANKS AND OTHER FINANCIAL ORGANISATIONS

1. These Guidelines shall govern the obligation of banks and other financial organisations (hereinafter referred to as the »reporting entities«) to disclose the statement of their accounts as reported in their books using the prescribed form (KNJ-BIFO form), as well as the manner in which the information on the statement of such accounts shall be recorded, entered, compiled, reviewed, processed and delivered.

The list of accounts to be included in monthly KNJ-BIFO reports has been printed together with these Guidelines as Schedule 1 and shall form a part thereof.

For the purpose of these Guidelines, the reporting entities shall also include the National Bank of Serbia, the Federation Fund for Financing Accelerated Development of Economically Underdeveloped Republics and Autonomous Provinces, and the Agency for Deposit Insurance, Rehabilitation, Bankruptcy and Liquidation of Banks.

The reporting entities shall use the KNJ-BIFO form to deliver the information on the statement of accounts as reported in their books to the National Bank of Serbia.

2. The KNJ-BIFO form both in terms of its format and content shall be used as a standard form within the entire territory of the Republic of Serbia, and it has been printed in the Serbian language and in Cyrillics.

3. The KNJ-BIFO form shall consist of headers denoting balance sheet positions, sub-headers denoting balance sheet positions, summarised classes of balance sheet positions, headers denoting off-balance sheet positions, sub-headers denoting off-balance sheet positions, and authorised signatures.

The items under the header denoting balance sheet positions shall be as follows:

- (1) Statistical research reference number;
- (2) National Bank of Serbia – IT, Central Reception Department;
- (3) Name and place of the reporting entity;
- (4) Form code;
- (5) Form name;
- (6) Date of receipt by the National Bank of Serbia
- (7) Transaction type;
- (8) Period covered by the form delivered (year, month);
- (9) Identification code of the reporting entity;
- (10) Territory of the reporting entity (municipality in which the head-office is located);

- (11) Type of the reporting entity;
- (12) Form type;
- (13) Number of employees as at the end of the month.

The items under the sub-header denoting balance sheet positions shall be as follows:

- (14) Account name (column 1);
- (15) Account number (column 2);
- (16) Debit transactions (column 3);
- (17) Credit transactions (column 4);
- (18) Abbreviation »A/L« (account character) (column 5);
- (19) Debit balance (column 6);
- (20) Credit balance (column 7).

The columns under the summarised classes of balance sheet positions shall be as follows:

- Column 1 – class name and class total;
- Column 2 – debit transactions;
- Column 3 – credit transactions;
- Column 4 – debit balance;
- Column 5 – credit balance.

The items under the header denoting off-balance sheet positions shall be as follows:

- (7) National Bank of Serbia – IT, Central Reception Department;
- (8) Transaction type;
- (9) Period covered by the form delivered (year, month);
- (10) Identification code of the reporting entity;
- (11) Territory of the reporting entity (municipality in which the head-office is located);
- (12) Type of the reporting entity;
- (13) Form type.

The items under the sub-header denoting off-balance sheet positions shall be as follows:

- (14) Account name (column 1);
- (15) Account number (column 2);
- (16) Debit transactions (column 3);
- (17) Credit transactions (column 4);
- (18) Abbreviation »A/L« (account character) (column 5);
- (19) Debit balance (column 6);
- (20) Credit balance (column 7).

The KNJ-BIFO form shall also include the space for signatures of the person who prepared the form, supervising officer, senior officer (authorised to sign accounting documents); the space for phone number, fax number and stamp of the reporting entity; and the space for signatures of officers who received and reviewed the form at the National Bank of Serbia.

4. The KNJ-BIFO form shall be delivered by the reporting entities to the National Bank of Serbia – IT, Central Reception Department (hereinafter referred to as the »Central Reception Department«).

The Central Reception Department shall receive the KNJ-BIFO forms and maintain the Registry of Reporting Entities which has been printed together with these Guidelines as Schedule 2 and shall form a part thereof.

5. The reporting entities with automatic data processing facilities shall deliver the KNJ-BIFO form by electronic means as provided by the guidelines governing the preparation and electronic delivery of information to the National Bank of Serbia.

In cases where it may be impossible for the reporting entities to electronically deliver the KNJ-BIFO for technical reasons, such reporting entities shall deliver hard copies of the form to the National Bank of Serbia – Monetary Department or the respective branch of the National Bank of Serbia.

The reporting entities referred to in paragraph two of this Section shall deliver one original of the completed KNJ-BIFO form signed by authorised officers.

Should the information be delivered in the manner referred to in paragraph two of this Section, the officers referred to in paragraph three thereof shall be responsible for the accuracy of information disclosed in the KNJ-BIFO form, as well as for the review of its content in terms of formal aspects, computation and substance.

6. The Central Reception Department in cooperation with the competent organisational units shall be required to review the information contained in the received KNJ-BIFO form in terms of formal aspects, computation and substance in the manner provided by these Guidelines.

7. The reporting entities shall be required to properly complete all items under the header of the KNJ-BIFO form (numbers 1–11) in the following manner:

- (1) Item 1 – Statistical research reference number is already inserted in the printed form;
- (2) Item 2 – Insert: National Bank of Serbia–IT, Central Reception Department (code 0);
- (3) Item 3 – Insert: name of the reporting entity, as entered into the court registry, and place;
- (4) Item 4 – Form code is already inserted in the printed form;
- (5) Item 5 – Form name is already inserted in the printed form;
- (6) Item 6 – Not to be completed by the reporting entity;
- (7) Item 7 – Transaction type for data processing purposes is already inserted in the printed form;
- (8) Item 8 – Insert: numerical symbols for the year and month to which the form refers (two last digits for the year, and two digits for the month, with zero used as the first digit for January to September);
- (9) Item 9 – Insert: identification code of the reporting entity, as assigned in the single register of organisations and entities classified, by industry, by the Statistical Offices of the Republic and Provinces, and the Central Statistical Office;
- (10) Item 10 – Insert: code of the municipality in which the head-office of the reporting entity is located, as assigned in the single register of organisations and entities using the Municipality Code List which has been published, as Schedule 3, in the Rules on the Requirements and Manner of Maintaining the Accounts for Payments of Public Revenues and Allocation

of Funds in Such Accounts (»Official Gazette of the Republic of Serbia« No. 64/2003);

- (11) Item 11 – Insert: code for the type of the reporting entity using the Code List which has been printed together with these Guidelines as Schedule 3 and shall make a part thereof;
- (12) Item 12 – Insert: code for the form type; code »1« for balance sheet accounts; code »2« for off-balance sheet accounts.

8. Items 14, 15 and 18 under the sub-header of the KNJ-BIFO form refer to account name (column 1), account number (column 2) and account character (column 5), and are already inserted in the printed form. Account names and numbers match those included in the Chart of Accounts for banks and other financial organisations being a part of the Rules on the Chart of Accounts and Content of Accounts within the Chart for Banks and Other Financial Organisations (»Official Gazette of the Republic of Serbia« No. 133/2003 and 4/2004), as well as in the Chart of Accounts for the National Bank of Serbia being a part of the Rules on the Chart of Accounts and Content of Accounts within the Chart for the National Bank of Serbia (»Official Gazette of the Republic of Serbia« No. 11/2004).

Letters »A« (assets) or »L« (liabilities) in column 5 denote the account character in line with the content of particular accounts specified by the Rules referred to in paragraph one of this Section. For each of the accounts in Schedule 1, the respective code has been printed, i.e. code »1« for accounts receivable, code »2« for accounts payable, and code »3« for accounts used to report both receivables and payables.

9. Items 16 and 17 under the sub-header of the KNJ-BIFO form (columns 3 and 4) should be used for debit and credit transactions, and items 19 and 20 (columns 6 and 7) for debit and credit balance of the accounts as shown in the books of the reporting entities.

For each basic or detailed account and/or group or class of accounts, as designated in item 14, debit and credit transactions should be entered in columns 3 and 4 (cumulative, from the beginning of the year until the end of the period for which the form is delivered including the opening balance); debit or credit balance as at the date of the delivered form should be entered in columns 6 and 7.

The KNJ-BIFO form shall contain all posted business transactions referring to the period for which the form is delivered.

The information in the KNJ-BIFO form shall be reported in thousands of dinars.

10. The reporting entities providing for electronic delivery of the KNJ-BIFO form shall also ensure that such form complies with the standard structure and length of entries, standard field length and position, and properly captured fields within the respective entry positions, as well as the standard logical control of all entries, as provided by the guidelines governing the preparation and electronic delivery of information to the National Bank of Serbia.

11. In preparing the KNJ-BIFO form a total of amounts under classes referring to transactions (debit – credit) and balances (debit – credit) shall always be entered in the respective line already contained in the printed form.

12. After the information for all accounts, i.e. classes have been entered, the summarised classes of balance sheet positions shall be prepared. The totals of the respective classes should be entered (copied) in columns 2 and 3 or 3 and 4, as well as the final grand total of classes.

13. The reporting entities shall be required to deliver the KNJ-BIFO form to the Central Reception Department latest by the 12th day of each month for the previous month, whereas no postings shall be allowed for such month after the delivery of information excluding the first delivery for December.

With newly incorporated reporting entities or those whose operation has ceased, the obligation to deliver the KNJ-BIFO form shall commence or terminate following the expiry of the month in which their giro account was opened or closed.

14. The reporting entities shall be required to enter the information into the forms, and review and deliver such completed forms to the Central Reception Department.

15. The National Bank of Serbia shall be required to process the forms referring to the previous month latest by the 15th day of each month.

16. The dates set for entering the information, reviewing, processing and delivering the forms referred to in Sections 13 to 15 of these Guidelines may be extended by the number of days being the state or republic holidays, and in the event of force majeure provided that the National Bank of Serbia shall have duly been notified thereof.

17. For the month in which annual accounts are submitted the KNJ-BIFO form shall be delivered both before and after the final postings have been completed.

18. The reporting entities shall be required to review the information delivered in terms of formal aspects, computation and substance.

For the purpose of this Section, the review of formal aspects shall mean the review of formal accuracy of the information entered under items 2, 3 and 4, and items 7 to 20, as well as the information entered in columns 2 to 5 of the summarised classes of balance sheet positions, as provided by these Guidelines.

For the purpose of this Section, the review of computation shall mean the review of accuracy of the respective totals in terms of computation (for each class and the total including all classes), as well as the differences (balances of each account, i.e. special designations) and reconciled (balanced) assets and liabilities under the respective columns in the summarised classes of balance sheet positions (from 2 to 5).

For the purpose of this Section, the review of substance shall mean the review of the compliance with the Rules referred to in Section 8 of these Guidelines, as well as the compliance with the Guidelines on Detailed Accounts within the Chart of Accounts for Banks and Other Financial Organisations (»Official Gazette of the Republic of Serbia« No. 15/2004) and the Guidelines on Detailed Accounts within the Chart of Accounts for the National Bank of Serbia (»Official Gazette of the Republic of Serbia« No. 24/2004).

19. The reporting entities shall be required to examine whether all postings referring to business transactions have duly been made, as well as the postings referring to the closing of particular accounts for the respective month.
20. The reporting entities shall be required to examine whether the balances of internal accounts have been reported in equal or approximately equal amounts.
21. The reporting entities shall be required to examine the completeness of information entered in the KNJ-BIFO form (information entered for all accounts existing in the books of a reporting entity), as well as the comprehensiveness of such information (information entered for all business or organisational units for which the aggregate accounts are submitted by a reporting entity).
22. The reporting entities shall be required to examine the regularity of disclosed business transactions referring to the operations for and on behalf of other parties, whereas they shall ensure that no double entries occur for the same business transactions in the accounts used to report such operations and the accounts used to report the operations performed for and on behalf of the bank itself. Furthermore, the balances of the accounts used to report assets should be examined not allowing such balances to exceed those of the accounts used to report liabilities within the operations for and on behalf of other parties.
23. The reporting entities shall ensure the regularity of reported interbank business transactions as the borrowers and lenders under the interbank loans may solely include the reporting entities referred to in these Guidelines.
24. The reporting entities shall be required to appraise the fairness of the reported statement of particular accounts, i.e. to assess whether the amounts entered into the KNJ-BIFO form are within the realistic values.
25. The reporting entities shall be required to review the information entered in the summarised classes of balance sheet positions against the total of each class. The amounts entered into the summarised classes of balance sheet positions in the KNJ-BIFO form (columns 2 to 5) should be equal to the total of accounts for each class (columns 3 to 7).
26. The reporting entities shall be required to examine whether any cancelled accounts have been deleted and any newly opened accounts inserted in the KNJ-BIFO form. No amounts should appear in any non-operating accounts in the columns used to enter the balances (columns 6 and 7).
27. The National Bank of Serbia shall appraise the fairness of disclosed information in respect of the reporting entities in its jurisdiction and shall by its internal guidelines provide for the procedures of receipt, review, capture and processing of information, correction of errors, and distribution of processed information.
28. The National Bank of Serbia shall check whether the KNJ-BIFO form has been delivered by all reporting entities in the required manner and whether the review has been conducted as provided by these Guidelines.
29. For the purpose of ensuring the quality of information used for further processing, the reporting entities shall be required to correct any errors identified in the KNJ-BIFO form.

In cases where any errors in the disclosed information have been identified by the National Bank of Serbia, the reporting entities shall be required to electronically redeliver such information until the dates set for such purposes.

Any errors in the KNJ-BIFO form identified by the National Bank of Serbia which have occurred in transmission of information shall be corrected by the National Bank of Serbia and agreed upon with the officers by whom such erroneous information has been delivered. The error correction procedures shall be conducted in the most appropriate and efficient manner, whereas any such corrections shall be supported by documentary evidence to be delivered until the dates set by these Guidelines.

30. The reporting entities shall deliver the KNJ-BIFO form for February, 2004 under the Chart of Accounts applicable until December 31, 2003.

31. After the balances of accounts reported as at December 31, 2003 have been transferred and the projected balances have been entered into accounts (prior to the closing of accounts under classes 6 and 7), the KNJ-BIFO form as at December 31, 2003 shall be delivered by the reporting entities latest by March 30, 2004 under the Chart of Accounts applicable as of January 1, 2004.

After the transactions in accounts reported for January, 2004 have been transferred, the KNJ-BIFO form as at January 31, 2004 shall be delivered by the reporting entities latest by March 30, 2004 under the Chart of Account applicable as of January 1, 2004.

The KNJ-BIFO form as at February 28, 2004 shall be delivered by the reporting entities latest by March 31, 2004 under the Chart of Account applicable as of January 1, 2004.

The KNJ-BIFO forms for March and the following months of 2004 shall be delivered by the dates set by these Guidelines.

32. These Guidelines shall become effective as of the date following the day they were published in »Official Gazette of the Republic of Serbia«.

Ref. No. 9
March 15, 2004
B e l g r a d e

G o v e r n o r
of the National Bank of Serbia

Radovan Jelašić