

Based on Article 24 of the Law on Foreign Exchange Operations (RS Official Gazette, Nos 62/2006, 31/2011 and 119/2012), Article 14, paragraph 1, item 9 and Article 34, item 9 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 and 106/2012), the Executive Board of the National Bank of Serbia hereby issues

## **DECISION ON REPORTING ON FOREIGN CREDIT TRANSACTIONS**

### **General provisions**

1. This Decision prescribes the procedure for reporting on foreign credit transactions concluded by residents in accordance with the Law on Foreign Exchange Operations (hereinafter: Law), as well as the relevant deadlines, forms and documentation to be submitted by residents to the National Bank of Serbia in the reporting procedure.

2. For the purposes of this Decision:

1) foreign credit transactions shall be transactions referred to in Article 2, item (21) of the Law and exports and imports of goods and services that are considered commercial credits and loans under Article 4 of the Law;

2) residents shall be banks, legal entities, entrepreneurs, natural persons and branches of foreign legal entities.

3. Residents shall submit data and documents prescribed by this Decision to the National Bank of Serbia and shall be responsible for their accuracy.

### **Scope of Decision**

4. In accordance with this Decision, residents shall report to the National Bank of Serbia on the following foreign credit transactions:

1) borrowing transactions – credits and loans in foreign exchange and dinars taken by residents from non-residents, together with information on bank guarantees, sureties, warranties and other means of collateral under those operations; foreign liabilities incurred by activating a foreign guarantee or warranty under a transaction between a bank and a resident or between two resident legal entities in the Republic of Serbia (hereinafter: Republic) shall be recorded as a borrowing transaction if they are to be settled with a deferred payment term and/or payment of interest;

2) lending transactions – credits and loans in foreign exchange and dinars granted by residents to non-residents, other than credits in dinars granted by banks to non-residents, together with information on bank guarantees, sureties, warranties and other means of collateral under those operations; foreign receivables in foreign exchange of a bank or resident legal entity incurred by activating a bank guarantee, surety, warranty or other means of collateral under a credit transaction between two non-residents abroad shall be recorded as a lending transaction if they are to be collected with a deferred payment term and/or payment of interest (receivables under activated guarantee or warranty issued under a credit transaction between two non-residents abroad);

3) credits in dinars granted by banks to non-residents;

4) bank deposits in foreign exchange with maturity from one day to one year taken by a bank from a foreign bank or granted by a bank to a foreign bank, where the creditor bank credits the account of the debtor bank (short-term bank deposits in foreign exchange);

5) bank guarantees, sureties and other types of warranties issued by banks in favour of non-residents, as well as warranties and other means of collateral issued by resident legal entities in favour of non-residents under credit transactions between two non-residents abroad (guarantees and warranties under credit transactions between two non-residents abroad);

6) other transactions having the characteristics of foreign credit transactions – resident's liabilities and receivables under financial leasing transactions between residents and non-residents, performed in accordance with the law governing financial leasing;

7) transactions set out in Article 4 of the Law which are considered commercial credits and loans and whose individual value exceeds 100,000 dinars and/or its equivalent in another currency, as well as transactions whose individual value does not exceed the said amount if the total value of these transactions of a resident in the reporting period exceeds 1,500,000 dinars or its equivalent in another currency, except in the case of:

a) compensation deals performed within the time specified in the resolution of the competent body approving those deals, while deals performed after the expiry of that time shall be reported as laid down by this Decision,

b) "vendor tooling" - purchasing abroad tools which are sent directly to another country or customs territory for the purposes of being used in the production of parts that the resident will later on use in its production processes.

5. In accordance with this Decision, the National Bank of Serbia shall also collect data on foreign credit transactions of the Republic and the National Bank of Serbia based on the law or act governing those operations.

## Reporting procedure, deadlines and forms

6. **Borrowing transactions** shall be reported on an individual basis, on the following forms:

a) Report on borrowing transaction (KZ-2 Form), supported with the following documentation:

- credit agreement or other document underlying the borrowing transaction,
- documentation proving that the non-resident creditor/supplier is registered pursuant to the regulations in force in its domicile country – this applies only to reporting on the non-resident's first credit transaction,
- decision of the governing body of the resident debtor and of the governing body of the resident credit beneficiary in respect of the foreign borrowing, including information on the type, amount, purpose and terms of borrowing, in case the debtor or credit/loan beneficiary is a bank or legal entity with a direct or indirect state share in capital,
- decision of the governing body of the bank on the issuance of guarantee, and/or decision of the governing body of the resident legal entity with a direct or indirect state share in capital on the issuance of warranty, in case the credit agreement is concluded against such guarantee or warranty;

b) Disbursement schedule (KZ-3A Form), enclosed with the report on borrowing transaction (KZ-2 Form), except for short-term bank credit lines, revolving credits/loans and liabilities in respect of activated foreign guarantees under transactions in the Republic;

c) Amendment to and/or cancellation of the report on borrowing transaction (KZ-5 Form), supported with the following documentation:

- annex to the credit agreement or other document changing the parties to or terms of the reported borrowing transaction or a document terminating the credit agreement,
- amendment to the decision of the governing body of the resident debtor and of the governing body of the resident credit beneficiary on foreign borrowing, in case the debtor or credit/loan beneficiary is a bank or legal entity with a direct or indirect state share in capital,
- amendment to the decision of the governing body of the bank on the issuance of guarantee, and/or decision of the governing body of the resident legal entity with a direct or indirect state share in capital on the issuance of warranty, in case the credit agreement is concluded against such guarantee or warranty;

d) Specification of the borrowing transaction (KZ-7 Form), enclosed with the report on borrowing transaction (KZ-2 Form) or amendment thereto (KZ-5 Form), in case there are several credit beneficiaries, several non-resident creditors/suppliers under the same credit transaction or in case the credit proceeds are used for several purposes; the specification shall also be

submitted for syndicated credits or loans granted to a resident by a group of foreign creditors through an agent;

e) Actual disbursements, repayment schedule and repayments made under a borrowing transaction (KZ-3B Form), and in cases where foreign liabilities under a borrowing transaction have terminated not as a result of repayment, but based on other grounds (e.g. offsetting of debts and claims under a foreign borrowing transaction in foreign exchange, transfer of claims under a borrowing transaction from a non-resident to a resident or assumption of a resident's debt under such transaction by a non-resident, etc.) – the documentation on such termination of foreign liabilities.

The forms from paragraph 1 hereof shall be submitted within ten days from the date of concluding/amending/terminating the credit agreement, and/or from the date of credit/loan disbursement/repayment or the date of termination of foreign liabilities under a borrowing transaction based on other grounds specified in paragraph 1, provision e) hereof – through the bank through which the credit/loan is disbursed and/or guarantor bank if the credit is concluded against bank guarantee. The forms shall be submitted in both paper and electronic form, except for the KZ-3B Form which shall be submitted exclusively in electronic form.

The KZ-2 and KZ-3A forms for reporting on commercial credits and loans in foreign exchange and dinars related to foreign trade in goods and services which include deferred payment of imported goods and services and deferred exports of goods and services paid in advance with an agreed execution term of up to one year with interest, and/or over one year – may also be submitted within 30 days from the date of imports, and/or advance payment of exports, in the manner set out in paragraph 2 hereof.

The bank from paragraph 2 hereof shall submit the KZ-3B Form even if the repayment under a borrowing transaction is executed through another bank. The KZ-3B Form shall in that case be submitted based on notification that the resident is obliged to submit to the bank along with the payment order within seven days from the date of repayment.

Data in electronic form shall be submitted in accordance with the guidelines governing electronic submission of data on foreign credit transactions.

**7. Lending transactions in foreign exchange and dinars** shall be reported on an individual basis, on the following forms:

a) Report on lending transaction (KO-2 Form), supported with the following documentation:

- credit agreement or other document based on which the credit was granted to the non-resident,
  - documentation proving that the non-resident debtor is registered pursuant to the regulations in force in its domicile country – this applies only to reporting on the non-resident’s first credit transaction;
  - decision of the governing body of the bank on lending to a non-resident, including information on the type, amount, purpose and terms of lending, and in case of a financial credit – including information on collateral instruments,
  - decision of the governing body of the resident legal entity with a direct or indirect state share in capital on lending to a non-resident, including information on the type, amount, purpose and terms of lending, and in case of a financial loan – also including information on collateral instruments;
  - documentation proving that the resident legal entity granting a loan to a non-resident is the majority owner of the non-resident (in case of financial loans);
- b) Disbursement schedule (KO-3A Form), enclosed with the report on lending transaction (KO-2 Form), except for short-term bank credit lines, revolving credits/loans and receivables in respect of activated guarantees or warranties issued under credit transactions between two non-residents abroad;
- c) Amendment to and/or cancellation of the report on lending transaction (KO-5 Form), supported with the following documentation:
- annex to the credit agreement or other document changing the parties to or terms of the reported lending transaction or a document terminating the credit agreement,
  - amendment to the decision of the governing body of the bank or resident legal entity with a direct or indirect state share in capital on granting a credit or loan to a non-resident, including information on the type, amount, purpose and terms of lending;
- d) Actual disbursements, collection schedule and amounts collected under a lending transaction (KO-3B Form), and in cases where foreign receivables under a lending transaction have terminated not as a result of collection, but based on other grounds (e.g. offsetting of debts and claims under a foreign credit transaction in foreign exchange, transfer of claims under a lending transaction from a resident to a non-resident or assumption of a non-resident’s debt under such transaction by a resident, etc.) – the documentation on such termination of foreign receivables.

The forms from paragraph 1 hereof shall be submitted within ten days from the date of concluding/amending/terminating the credit agreement, and/or from the date of credit/loan disbursement/collection or the date of termination of foreign receivables under a lending transaction based on other

grounds specified in paragraph 1, provision d) hereof – through the bank through which the credit is disbursed. The forms shall be submitted in both paper and electronic form, except for the KO-3B Form which shall be submitted exclusively in electronic form.

The KO-2 and KO-3A forms for reporting on commercial credits and loans in foreign exchange and dinars related to foreign trade in goods and services which include deferred collection of exported goods and services and deferred imports of goods and services paid in advance with an agreed execution term of up to one year with interest, and/or over one year – may also be submitted within 30 days from the date of exports, and/or advance payment of imports, in the manner set out in paragraph 2 hereof.

The bank from paragraph 2 hereof shall submit the KO-3B Form even if the collection under a lending transaction is executed through another bank. The KO-3B Form shall in that case be submitted based on notification that the resident is obliged to submit to the bank along with the payment order within seven days from the date of collection.

Data in electronic form shall be submitted in accordance with the guidelines governing electronic submission of data on foreign credit transactions.

**8. Credits in dinars granted by banks to non-residents** shall be reported on an aggregate basis – on the following form: Report on credits in dinars granted by a bank to non-residents (KOD Form). The report shall be submitted on a quarterly basis, namely by 10 January, 10 April, 10 July and 10 October for the previous quarter in the calendar year, electronically, in excel format, to e-mail: [izvestavanje@nbs.rs](mailto:izvestavanje@nbs.rs).

**9. Short-term bank deposits in foreign exchange** taken by a bank from a foreign bank (borrowing) or granted by a bank to a foreign bank (lending) shall be recorded on an aggregate basis – on the following form: Report on short-term bank deposits in foreign exchange with a repayment term from one day to one year (DE Form). The report shall be submitted on a ten-day basis – for the first and second ten days of the month within five days from their lapse and for the third ten days by no later than the 14<sup>th</sup> day of the month for the previous month.

Banks shall submit the DE Form in electronic form, in accordance with the guidelines governing electronic submission of data on short-term bank deposits.

**10. Guarantees and warranties under credit transactions between two non-residents abroad** shall be reported on an individual basis – on the following form: Report on guarantee/warranty under credit transaction between two non-residents abroad (G-1 Form), supported with the following documentation:

- agreement on a credit transaction between two non-residents abroad, requiring a guarantee by the bank or a warranty by a resident legal entity;
- documentation proving that the non-residents in whose favour and/or for whose account the guarantee is issued are registered pursuant to the regulations in force in their domicile countries – this applies only to reporting on the non-residents' first credit transaction;
- decision of the governing body of the guarantor bank on the issuance of guarantee, including information on the amount and terms of the guarantee, as well as on the collateral instruments;
- decision of the governing body of the resident legal entity with a direct or indirect state share in capital on the issuance of warranty, including information on the amount and terms of warranty, as well as on the collateral instruments;
- statement by a resident legal entity with no direct or indirect state share in capital on the issuance of warranty, including information on the amount, date and terms of issuance, as well as on the collateral instruments;
- documentation proving that the resident legal entity – issuer of warranty is the majority owner of the non-resident debtor.

The form from paragraph 1 hereof shall be submitted by a resident to the National Bank of Serbia in paper form by no later than ten days from the date of the decision on the issuance of guarantee or warranty under paragraph 1, indents three and four hereof, and/or from the date of issuance of warranty by a resident legal entity with no direct or indirect state share in capital, as well as in electronic form, in excel format, to e-mail: [izvestavanje@nbs.rs](mailto:izvestavanje@nbs.rs).

**11. Data on the balance of a bank guarantee or warranty under a credit transaction between two non-residents abroad** shall be reported on an aggregate basis – on the following form: Report on the balance of guarantee/warranty issued under a credit transaction between two non-residents abroad (G-2 Form). The report shall be submitted semi-annually, namely by 10 January and 10 July for the previous half-year period, in electronic form, in excel format, to e-mail: [izvestavanje@nbs.rs](mailto:izvestavanje@nbs.rs).

**12. Residents' liabilities and receivables under financial leasing transactions between residents and non-residents** shall be reported on an aggregate basis – on the following forms: Report on the balance of foreign

liabilities under financial leasing transactions between residents and non-residents (FL-1 Form) and Report on the balance of foreign receivables under financial leasing transactions between residents and non-residents (FL-2 Form). These reports shall be submitted on a quarterly basis, namely by 10 January, 10 April, 10 July and 10 October for the previous quarter in the calendar year, in electronic form, in excel format, to e-mail: [izvestavanje@nbs.rs](mailto:izvestavanje@nbs.rs).

13. The **transactions under Article 4 of the Law** which are considered commercial credits and loans shall be reported on an aggregate basis, namely:

– exports of goods or services that have not been collected or goods or services paid in advance but not imported for longer than one year from the date of exports or the date of advance payment (receivables under credit transactions from Article 4 of the Law) – on the following form: Report on resident's receivables under foreign trade transactions that have not been settled for longer than one year (P-1 Form);

– imports of goods or services that have not been paid or goods and services collected in advance but not exported for longer than one year from the date of imports or the date of collection (liabilities under credit transactions from Article 4 of the Law) – on the following form: Report on resident's liabilities under foreign trade transactions that have not been settled for longer than one year (O-1 Form).

The forms from paragraph 1 hereof shall be submitted on a quarterly basis, namely by 10 January, 10 April, 10 July and 10 October for the previous quarter in the calendar year, in electronic form, in excel format, to e-mail: [izvestavanje@nbs.rs](mailto:izvestavanje@nbs.rs).

14. The forms prescribed hereunder shall be filled out in accordance with the National Bank of Serbia's guidelines for filling out the forms for reporting on foreign credit transactions.

15. The documentation prescribed hereunder shall be submitted in the original or certified copy, while the documentation submitted in a foreign language shall be supported with a certified translation.

The National Bank of Serbia may request the resident to submit other documentation should that be necessary for reporting on a foreign credit transaction.

16. The data gathered in accordance with this Decision may be presented to the public only on an aggregate basis.



17. The forms under this Decision are attached and integral to this Decision.

### **Transitional and final provisions**

18. The provisions hereof shall apply to foreign credit transactions recorded pursuant to the provisions of the Decision on Recording Foreign Credit Transactions (RS Official Gazette, No 85/2011) but not completed by the application date of this Decision.

19. Exports and imports of goods or services paid in advance with an agreed execution term longer than 180 days recorded on the P-2 Form pursuant to the provisions of the Decision on Recording Foreign Credit Transactions (RS Official Gazette, No 85/2011) but not completed by the application date of this Decision shall be reported on an aggregate basis, on the following form: Report on resident's receivables under previously recorded exports/imports of goods or services paid in advance whose agreed term of execution has not yet expired (P-2 Form).

The report from paragraph 1 hereof shall be submitted on a quarterly basis, namely by 10 January, 10 April, 10 July and 10 October for the previous quarter in the calendar year, in electronic form, in excel format, to e-mail: [izvestavanje@nbs.rs](mailto:izvestavanje@nbs.rs).

19a. During the emergency state declared because of the COVID-19 pandemic (hereinafter: emergency state), the forms submitted in accordance with this Decision to the National Bank of Serbia in paper and electronic form shall be submitted exclusively in electronic form, in accordance with the guidelines governing electronic submission of data on foreign credit transactions.

During the emergency state the documentation provided within the procedure of reporting to the National Bank of Serbia on foreign credit transactions may be submitted also in electronic form, in pdf format, to the e-mail address [izvestavanje.kpi@nbs.rs](mailto:izvestavanje.kpi@nbs.rs).

During the emergency state the National Bank of Serbia shall verify and record the said forms in electronic form.

19b. The residents who during the emergency state reported to the National Bank of Serbia on foreign credit transactions as set out in Section 19a of this Decision shall submit to the National Bank of Serbia the documentation based on which the forms for reporting on foreign credit transactions in paper form were recorded, in the manner prescribed by this Decision, within ten days following termination of the emergency state.

20. As of the application date hereof, the Decision on Recording Foreign Credit Transactions (RS Official Gazette, No 85/2011) shall cease to be valid.

21. This Decision shall enter into force on the eighth day following the publication in the RS Official Gazette and shall be applied as of 20 July 2013.

NBS EB No 26  
26 June 2013  
B e l g r a d e

Chair of the  
NBS Executive Board  
G o v e r n o r  
National Bank of Serbia

Dr Jorgovanka Tabaković, sgd.