

Pursuant to Article 4, item 3), Article 14, paragraph 1, item 11) and Article 15, paragraph 1 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, 40/2015 – CC decision and 44/2018) and Article 28, paragraph 7 of the Law on Banks (RS Official Gazette, Nos 107/2005, 91/2010 and 14/2015), the NBS Executive Board hereby adopts

D E C I S I O N
ON TEMPORARY INTEREST RATE CAP ON LOAN AGREEMENTS
CONCLUDED WITH NATURAL PERSON CONSUMERS

Introductory provision

1. This Decision prescribes temporary measures and activities aimed at preserving financial system stability, more specifically a temporary interest rate cap which banks are obliged to apply on loan agreements concluded with natural person consumers, with a view to protecting the rights and interest of those consumers.

Definitions

2. For the purposes hereof, the following definitions shall apply:

1) *consumer* means a natural person using or intending to use a loan for purposes other than a business or other commercial activity, excluding entrepreneurs and farmers;

2) *bank* has the meaning defined by the law governing bank operations;

3) *loan agreement* has the meaning defined by the law on contracts and torts;

4) *housing loan agreement* means a loan agreement concluded by a bank with a consumer for the purposes of purchase, construction, adaptation or reconstruction of residential property (a house, an apartment, a part of a residential building intended for dwelling, a garage or a garage place associated with the apartment, and a plot of land with a building permit for house construction), secured by a mortgage on residential property, as well as a loan agreement concluded by a bank for the purposes of refinancing such loan;

5) *credit card* and *credit card agreement* have the meaning defined by the law governing the protection of financial service consumers;

6) *authorised overdraft* and *overrunning* have the meaning as defined by the law governing the protection of financial service consumers.

Interest rate cap

3. The variable interest rate on loan agreements may not exceed 14.75% in case of dinar loans, and/or 7.05% in case of dinar loans indexed to a foreign currency and loans in foreign currency.

The effective interest rate on a loan agreement at the moment of its conclusion may not exceed the statutory default rate increased by two percentage points.

4. Housing loan agreements may not be approved at a variable interest rate, while a fixed interest rate on those agreements may not exceed 5%.

The effective interest rate on a housing loan agreement at the moment of its conclusion may not exceed the statutory default rate decreased by four and a half percentage points.

5. The effective interest rate on a credit card agreement at the moment of its conclusion may not exceed the statutory default rate increased by four percentage points.

Credit card agreements concluded before the start of application of this Decision shall be subject to a nominal interest rate not higher than the effective interest rate referred to in paragraph 1 of this Section.

6. The effective interest rate on an authorised overdraft agreement at the moment of its conclusion may not exceed the statutory default rate increased by six percentage points.

The authorised overdraft agreements concluded before the start of application of this Decision shall be subject to a nominal interest rate not higher than the effective interest rate referred to in paragraph 1 of this Section.

7. Credit card reissuing and/or renewal of authorised overdraft within the meaning of Sections 5 and 6 of this Decision shall mean the conclusion of a credit card agreement and/or the conclusion of an authorised overdraft agreement.

8. The provisions of Sections 6 and 7 of this Decision relating to the authorised overdraft shall apply *mutatis mutandis* to the overrunning.

9. Where on the agreed adjustment day the variable interest rate on loan agreement referred to in Section 3 of this Decision is higher than the interest

rate referred to in that Section, the credit provider shall apply the rate from Section 3 of this Decision during the next repayment period, and/or until the next adjustment of the nominal interest rate.

Transitional provisions

10. Banks shall submit and/or make available to the consumers of loans with variable interest rate referred to in Section 4 of this Decision a notification on the application of that rate and the new repayment schedule – before the due date of the loan annuity calculated at the rate from that Section.

11. Banks shall submit and/or make available to the consumers who concluded loan agreements referred to in Section 5, paragraph 2 and Section 6, paragraph 2 of this Decision a notification on the application of the interest rate specified in those provisions – before the due date of the interest calculated by applying that rate.

Final provision

12. This Decision shall enter into force on the day following its publication in the RS Official Gazette and shall be applied from 1 January to 31 December 2025.

NBS EB 79
20 December 2024
B e l g r a d e

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

Dr Jorgovanka Tabaković, sgd.