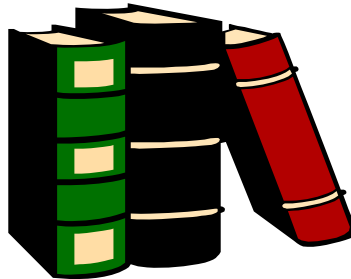




Emerika Bluma 1, 71000 Sarajevo
Tel. 28 35 00 Fax. 28 35 01

Department for Legal Affairs



DECREE ON THE PROCEDURE OF VERIFYING THE FROZEN FOREIGN CURRENCY SAVING CLAIMS AND CASH PAYMENTS IN REPUBLIKA SRPSKA

“Official Gazette of Republika Srpska”, 102/06

[NOTE: The Decree Amending the Decree on the Procedure of Verification of Claims and Cash Payments Arising from Frozen Foreign Currency Accounts in Republika Srpska, published in the “Official Gazette of Republika Srpska”, 124/06, is not included in this translation.](#)

[NOTE: The Decree Amending the Decree on the Procedure of Verification of Claims and Cash Payments Arising from Frozen Foreign Currency Accounts in Republika Srpska, published in the “Official Gazette of Republika Srpska”, 17/07, is not included in this translation.](#)

[NOTE: The Decree Amending the Decree on the Procedure of Verification of Claims and Cash Payments Arising from Frozen Foreign Currency Accounts in Republika Srpska, published in the “Official Gazette of Republika Srpska”, 62/07, is not included in this translation.](#)

[NOTE: The Decree on Changes the Decree on the Procedure of Verification of Claims and Cash Payments Arising from Frozen Foreign Currency Accounts in Republika Srpska, published in the “Official Gazette of Republika Srpska”, 105/07, is not included in this translation.](#)

[NOTE: The Decree on Changes the Decree on the Procedure of Verification of Claims and Cash Payments Arising from Frozen Foreign Currency Accounts in Republika Srpska, published in the “Official Gazette of Republika Srpska”, 18/08, is not included in this translation.](#)

Pursuant to articles 18, 26 and 29 of the Law on Settlement of Liabilities for Frozen Foreign Currency Accounts ("Official Gazette of Bosnia and Herzegovina", No. 28/06), Article 2, paragraph 2 of the Law on the Government of Republika Srpska ("Official Gazette of Republika Srpska", No. 03/97 and 03/98), the Government of Republika Srpska, at the session held on 12.10.2006 has hereby enacted the following

DECREE

ON THE PROCEDURE OF VERIFYING THE FROZEN FOREIGN CURRENCY SAVING CLAIMS AND CASH PAYMENTS IN REPUBLIKA SRPSKA

I – GENERAL PROVISIONS

Article 1

This Decree shall govern the procedure, method, and time limits of verification of claims and cash payments for foreign frozen currency savings deposited with the lowest business units of the banks in the territory of Republika Srpska, for which a database exists, with balance as of 31.12.1991, including the interest accrued until that date, and reduced for the direct payments made by the banks following that date and for transferred and used funds from the unique citizen account in Republika Srpska.

Article 2

The original savings account holders who have sold their frozen foreign currency account coupons in Republika Srpska to third persons shall not be entitled to file a request for verification.

The holders of the frozen foreign currency savings accounts who had transferred the foreign currency savings to the unique privatization account, or acquired it through inheritance or as a gift until the day of enactment of this Law, and who had not sell their foreign currency savings or used it in the privatization process, shall be entitled to file the request for verification.

The purchasers of frozen foreign currency account coupons may only use these certificates in the process of privatization of business premises and purchase of apartments and shall not be entitled to file requests for verification.

Article 3

The accrued and unpaid interest on the basis of account referred to in Article 1 of this Decree and as of 01.01.1992 until 15.04.2006, shall be cancelled.

In accordance with Article 4 of the Law on Settlement of Liabilities for Frozen Foreign Currency Accounts (hereinafter: the Law) for the period referred to in paragraph 1 above, the new annual interest rate shall be calculated at 0.5%.

Article 4

The frozen foreign currency accounts specified in the Article 1 of this Decree shall not include the frozen foreign currency accounts with the branch offices of Ljubljanska banka, Invest banka and other foreign banks in the territory of Bosnia and Herzegovina.

II – VERIFICATION – GENERAL PRINCIPLES

Article 5

Verification represents the necessary procedure, which identifies the claimants, verifies the amounts of frozen foreign currency account deposits belonging to each claimant and registers all claims for frozen foreign currency accounts, and accordingly verification confirms and does not redefine or violate existing rights.

At the conclusion of the verification procedure, the claimant shall be given a verification certificate identifying the claimant and verifying the amount of the Frozen Foreign Currency Accounts.

The certificate referred to in paragraph 2 above shall represent the basis for the settlement of the Frozen Foreign Currency Account claims and shall be issued as forms specified the Ministry of Finance of Republika Srpska (hereinafter: Ministry of Finance), and shall include the following:

- a) Each individual account referred to in paragraph 1 of this Decree and the verified amount,
- b) Identity of the account holder,
- c) Waiver of appeal (lawsuit),
- d) Bank title and account number to be used for receipt of the cash payment and for payments on the basis of issued bonds.

If the claimant holds more than one account, all accounts shall be individually verified and the amounts combined for purpose of calculating the total amount of claims. Each individual claimant shall only receive one verification certificate.

Verification of the amount of foreign currency account deposits of each claimant shall be made cumulatively in case of deposits held in one or more banks, in accordance with Article 1 of this Decree.

Article 6

Verification of the Frozen Foreign Currency Accounts shall be performed by the Agency for Brokerage, Information and Financial Services Banja Luka (hereinafter: Agency).

On the basis of the Ministry of Finance's consent, the Agency shall, within 15 days from the day of entering into force of this Decree, exchange databases with the corresponding institutions in the Federation of Bosnia and Herzegovina that are in possession of the data important for the verification of the frozen foreign currency accounts.

Article 7

In the frozen foreign currency accounts verification procedure, the banks and the Agency for Brokerage, Information and Financial Services Banja Luka shall be required to cooperate with the Entities' Ministries of Finance, as well as with:

- Agency for Privatization of the Federation;
- Agency for Brokerage, Information and Financial Services DD Sarajevo;
- Agency for Brokerage, Information and Financial Services Mostar; and
- Revenue Administration of Brcko District.

In the verification procedure, the banks are required to examine accuracy of their databases and make them available for the Agency and Ministry of Finance of Republika Srpska along with the following information:

- a) Balance of the account as of 31.12.1991 with interest registered until that date;
- b) Separate statement of interest after 31.12.1991; and
- c) Payments made from the account after 01.01.1992.

Article 8

The Agency shall be required to:

- a) Establish, perform updates on a regular basis, and maintain frozen foreign currency account Register (hereinafter: Register) for each claimant, and update all necessary banking information, as well as the information of the Agency for Privatization of the Federation of BiH for transferred and used funds from the unique citizen account in the Federation, which are necessary for the verification of claims under the Law;
- b) Develop and implement necessary security procedures that protect and ensure the integrity of data maintained in the Register;
- c) Ensure the entry of data on accounts into the database on the frozen foreign currency savings from the branch offices and lower operational units that existed on the territory of the Federation of BiH identifying all claimants and the amounts of all claims; and
- d) Establish a database of disputed claims.

Article 9

As part of the Frozen Foreign Currency Account verification procedure, the Ministry of Finance shall publish a Notice for Verification of the Frozen Foreign Currency

Accounts in, at least, two daily newspapers available in the entire territory of Bosnia and Herzegovina and on the Internet at least three times before expiration of the deadline for verification.

The first publication of this Notice for Verification will be within 15 days upon the entry into force of this Decree and thereafter notices shall be published every two months until expiration of the deadline for filing a request for verification.

The Ministry of Finance shall, in accordance with Article 9 of the Law, request from the Ministry of Foreign Affairs of Bosnia and Herzegovina to publish the Notices for Verification, through Embassies and Consulates of Bosnia and Herzegovina in those countries.

Article 10

In the frozen foreign currency account verification procedure, the Agency shall be required to:

- a) Receive the request for verification of frozen foreign currency savings claims (hereinafter: the claim) along with other corresponding documents, and issue a receipt on received claim and enclosed documents referred to in articles 10 and 11 of this Decree;
- b) Establish the identity of the claimant and authenticity of the documents provided;
- c) Perform the control of the data from the passbook with those in the Register;
- d) Calculate and transfer the interests under annual rate of 0.5% on the basis of data from the banks referred to in Article 7, paragraph 2 and on the basis of other data from the Register referred to in Article 8, paragraph a) of this Decree, and present it separately;
- e) Perform the verification of the frozen foreign currency accounts in accordance with the Law and provisions of this Decree;
- f) Issue the verification certificate to each claimant referred to in Article 5, paragraph 2 of this Decree, and in the event that the claim is not grounded, reject it by a decision;
- g) Cancel the interest from 01.01.1992 until 15.04.2006;
- h) Upon completed verification, in accordance with the Law and this Decree, insert the word “verifikovano” (*verified – translator’s remark*) in the passbook, stamp, and insert the number of the verification certificate and the date of certification;
- i) Report to the Ministry of Finances on the course of verification on a regular basis, at least once a month;

- j) Establish archives on finalized frozen foreign currency accounts verification;
- k) Make a report on completed verification of the frozen foreign currency savings claims for each processed claim. The form and contents of the report shall be prescribed by the Ministry of Finance;
- l) Make a combined report on all verified claims with elements from the individual reports; and
- m) Perform other operations pursuant to the Law, this Decree and contracts concluded with the Ministry of Finance.

III – CLAIMS FILING PROCEDURE

Article 11

The claimant shall be required to personally or by proxy submit a claim for verification of the frozen foreign currency accounts directly at any of the business units of the Agency in places of the bank branch offices or the bank's lowest operational units where the frozen foreign currency accounts were deposited, or in the places closest to them where Agency's units are located.

The request is to be submitted on the forms prescribed by the Ministry of Finance that shall be issued to the claimant free of charge.

Article 12

For the verification purposes, the frozen foreign currency account claimant shall be required to personally or by proxy submit the following documentation:

- a) The request for verification;
- b) The original passbook of the claimant or other original bank documents, contract or card establishing the frozen foreign currency account;
- c) The final and binding court decision on inheritance, if the frozen foreign currency account has been obtained by inheritance;
- d) The ID card or the travel document of the claimant;
- e) The birth certificate for the underage claimants;
- f) The power of attorney certified by the authorized body if the proxy is to act on behalf of the claimant;
- g) The ID card or the travel document of the proxy;
- h) Legally valid gift contract if the frozen foreign currency account has been gifted to another person; and

- i) Any other documents that may facilitate verification, including receipts or other documents where the amount and ownership of the frozen foreign currency account deposits are registered.

If the original passbook has been lost or destroyed or the claimant filing the request does not possess one or more documents referred to in the paragraph 1 above, the claimant shall be entitled to file a request for verification and produce any other documents or other evidence that demonstrates proof of the claim for frozen foreign currency accounts.

Article 13

Along with the request for verification, documents must be submitted to the Agency that sufficiently establish the identity of the claimant:

- a) If the original holder has died, the claim for the frozen foreign currency accounts may be inherited and proved by submission of the legally valid court decision on inheritance,
- b) If the right to frozen foreign currency account has been gifted to another person, the claim shall be proved by submission of the legally valid gift contract,
- c) If the proxy is acting on behalf of the claimant or is accepting cash payment on behalf of the claimant, then an original certified power of attorney must be submitted to the Agency, and shall be kept by the Agency.

IV - VERIFICATION OF CLAIMS

Article 14

The claimant must file a request for verification of frozen foreign currency accounts within the time limits established in Article 16 of this Decree.

The Agency shall register the claim and assign a unique identifying number to each claim, then the Agency shall stamp the request for verification, and then shall hand the stamped copy to the claimant, which copy shall constitute the filing receipt for the claim.

All original documents, except for the passbook, and the documents required in articles 12 and 13 of this Decree shall be copied by the Agency and returned to the claimant at the time the claim is submitted. The passbook may be retained by the Agency until the completion of the verification procedure. However, the claimant has the right to provide a certified copy of the entire passbook to the Agencies and thereafter to keep possession of the original passbook.

Article 15

Upon submission of the claim, the Agencies shall in due course verify the validity of information from the documents submitted by the claimants pursuant to articles 12 and 13 of this Decree and shall verify the individual requests matching them against the information from the Register referred to in Article 8 above.

If the Agency find that there is a lack of some information, or a document on the basis of which the actual balance of accounts of the frozen foreign currency accounts can be determined, the Agency shall request, in writing, from the claimant or proxy to deliver additional information or documents within 30 days but in any event not longer than the deadline for filing a request for verification as set out in Article 16 above.

If the Agency does not receive the requested information or documents or if on the basis of the obtained information and documents is not possible to verify either the identity of the claimant or the amount of the frozen foreign currency accounts claim, the Agency shall deny the verification request and shall instruct the claimant to exercise his/her rights by filing an appeal with the Commission for verification of the frozen foreign currency account referred to in Article 17 of this Decree (hereinafter: Commission).

The decision of the Commission shall be final and binding, and an appeal cannot be filed against it, but an administrative dispute may be instituted before a competent court.

In the frozen foreign currency account verification procedure, the Agency and the Commission are required to act pursuant to the Law on Administrative Procedure ("Official Gazette of Republika Srpska" No. 13/02).

After the verification procedure has been completed for each individual claim, the Agency shall be required to inform the claimant in writing whether the request has been granted or denied, as follows:

- a) If the request is granted, the Agency shall issue the verification certificate referred to in Article 5 above, and foreign currency passbook shall be stamped in accordance with Article 10, paragraph 1, subparagraph h) above and shall be returned to the claimant;
- b) In the event that the request is denied, the decision on denial of the request shall be issued to the claimant and he/she shall be instructed to exercise his/her rights in the appeal procedure.

Article 16

The time limit for filing requests for verification of the frozen foreign currency accounts shall be the day following the day of entry into force of this Decree, and not later than by 01.03.2007.

Verification completed until the day of entering into force of the Law shall be accepted as a legally valid for the purpose of the Law, and verified amount shall be

increased for the amount of the corresponding interest referred to in Article 4 of the Law. For requests where the verification procedure commenced under the former regulations, the verification procedure shall be carried out in accordance with the provisions of this Decree.

The claimant shall be required to file an additional request for ascribing interest pursuant to paragraph 2 of this Article. The Agency shall be required to issue new certificate on ascribed interest for verified amount of claims and to register it in claimant's passbook.

Article 17

Republika Srpska shall appoint at least one commission as a second-instance body in the administrative procedure.

The commission shall be comprised of five members appointed by the Government of Republika Srpska (hereinafter: Government). At least one member shall be from the Ministry of Finance, one from the Ministry of Justice, and remaining three members shall be appointed according to Government's decision.

The Government may appoint additional commissions depending on the number of declared and filed appeals.

Article 18

The Agencies shall also be required to maintain a register of disputed claims, which shall include all claims submitted to the Commissions as disputed, as well as all cases pending before the courts.

This register shall include the information identifying the persons claiming the frozen foreign currency accounts, identification and information on the deposit accounts and the amount of the deposits.

Upon a final decision by the Commission referred to in Article 17 of this Decree, the Commission shall submit a copy of its decision to the Agency and thereafter the provisions of Article 19 of this Decree shall apply.

As court decisions on disputed claims are finalized and become enforceable they are to be submitted to the Agency for action by banks or claimant along with a request for verification 15 days within entry into force of this Decree, or within 15 days following its reception.

If the verification procedure has been completed before a court decision becomes enforceable, the claimant shall submit the final enforceable court decision to the Agency for action in accordance with the Law.

The Agency shall be required to forward the reports on claims on the basis of the final court decisions to the Ministry of Finance following the completed verification.

The Agency shall be required to forward the report on subsequently registered final court decisions following the completed verification.

V – CASH PAYMENTS

Article 19

If the verification of the individual claim is completed and the claimant agrees with the amount verified by the Agency, the claimant shall sign the verification certificate.

The claimant, after signing the waiver of appeal shall be entitled to a cash payment of a maximum amount of KM 100, or the total amount of the claim up to KM 100, following the announcement in accordance with the paragraph 4 of this Article.

Each individual claimant registered with the Register shall be paid a maximum amount of KM 1000, or the total amount of the claim up to KM 1000, which also includes the amount paid pursuant to the paragraph 1 above.

Cash payments from paragraphs 1 and 2 of this Article shall be made in 2006 and 2007, and not later than 31.12.2007 from the Unique Account of the Treasury of Republika Srpska.

The claimant must provide the name of their bank and the bank account number to the Agency, which the Agency shall enter onto the verification certificate and added into its registers for the purpose of paying the claim.

The Government of Republika Srpska shall make the Decision for each fiscal year referred to in paragraph 3 above, which shall determine the procedures and timelines of the cash payments referred to in paragraphs 1 and 2 above, as planned by the budget for respective years.

Article 20

Total amount of the claims shall be reduced for the cash payments of individual frozen foreign currency savings claims and shall be registered with the Register.

Article 21

The remainder of all outstanding claims, from paragraph 3 of Article 19, shall be settled through the issuance of bonds.

VI - TRANSITIONAL AND FINAL PROVISIONS

Article 22

The Ministry of Finance shall, as required, enact the implementing regulations within 15 days from the day when this Decree takes effect.

Article 23

The enforcement of court decisions held by judgment creditors for frozen foreign currency savings accounts shall be subject to verification in order to register claims, which shall be proved by submission of the enforceable court decisions.

Judgment creditors shall be required to submit those court decisions to the Agency along with the request for verification.

In the verification procedure, the provisions of the Law shall apply providing for:

- Cancellation of interest from 01.01.1992 until 15.04.2006;
- Ascribing of interests under annual rate of 0.5% from 01.01.1992 until 15.04.2006;
- Cash payments; and
- Issuance of bonds.

Article 24

All cases that were not yet concluded in a legally binding manner on the date of entry into force of this Law shall be ex officio transferred by the respective court for verification and settlement to the Agency pursuant to the Law and this Decree.

Article 25

This Law shall enter into force on the eight day following its publication in the "Official Gazette of Republika Srpska."

Number: 04/1-012-2143/06

Date: 12.10.2006

PRIME MINISTER
Milorad Dodik