

Joint statement by the EU in BiH, U.S. Embassy in BiH, British Embassy in BiH and the OHR on the FBiH Securities Commission



The FBiH Securities Commission, which is a crucial institution ensuring that banks, the stock exchange and joint stock companies operate transparently and according to the rules, has been completely paralyzed for more than a year. The consequences of this paralysis are enormous for the economy of the Federation of Bosnia and Herzegovina and the country as a whole. The Commission sets the conditions for how money flows through banks and businesses and for that reason affects hundreds of companies, their employees and business partners, as well as citizens.

Over 400 pending requests are awaiting the Commission's approval including more than BAM 100 million worth of investments. This is happening while the country is suffering from the health and economic crisis brought on by the pandemic. Economic recovery and employment growth are threatened by the inability of companies and banks to raise capital, merge with other companies, or conduct other normal business transactions. Securities Commission employees have also been suffering because no one was able to authorize the payment of their salaries or health insurance.

The effective financing of companies is the starting point for economic growth and welfare. As has been noted many times, a key factor in supporting economic growth to create new jobs is to make money available to entrepreneurs for investment. A well-functioning Securities Commission is a prerequisite for this to happen.

We urge the Federation authorities to unblock the work of the Securities Commission by immediately addressing the appointment of its members and taking all necessary steps to ensure that appointment decisions can be made swiftly while fully respecting all relevant legislation and selection criteria.

Independence and professional conduct are crucial for ensuring high standards of excellence of all supervisory authorities. The institutions need to operate in a clear and transparent manner in order to build trust in the market.

Both EU standards and domestic regulation define strict criteria for the selection of Securities Commission's members, including with regard to education, expert and professional knowledge, conflict of interest, performance of duties in political parties, participation in political activities and criminal record.

There are many successful, hardworking citizens of BiH who meet these criteria and deserve the opportunity to make a difference and offer their expertise and experience for the benefit of their country.

Market participants and businesses demand an urgent remedy to the situation from all bodies involved in the process, including the immediate restoration of the functionality of this institution and avoiding any future dysfunctions. The Federation of Bosnia and Herzegovina, as one of the entities within a democratic country aiming to join the European Union, cannot afford the paralysis of one of its

important institutions.