

OHR: RS Government Discriminates Amongst Frozen Foreign Currency Savers

Yesterday's issuance of bonds by the government of Republika Srpska for liabilities arising from old foreign currency savings likely breaches a decision by the Constitutional Court of Bosnia and Herzegovina and discriminates amongst frozen foreign currency account holders in Bosnia and Herzegovina. It is also a clear violation of state-level frozen foreign currency legislation.

The Constitutional Court of Bosnia and Herzegovina on 2 December 2005, in a case brought by Nikola Špirić, ruled that old foreign currency savings accounts fall within the exclusive competency of the State of Bosnia and Herzegovina. The Constitutional Court ruled that BiH is responsible for establishing a unified legislative framework to resolve old foreign currency savings liabilities for all citizens throughout the territory of Bosnia and Herzegovina.

OHR notes that the BiH Parliament did in fact enact a unified legislative framework, under which the State of BiH is obliged to issue a single bond for all savers by the end of March 2008.

The OHR can only assume that this action by the RS government is an attempt to further manipulate those who have already seen their savings disappear by using parallel legislation that discriminates amongst old frozen foreign currency savers and challenges the BiH Constitutional Court, a key institution created under the Dayton Peace Agreement.