

OHR: Parliamentarians Must Explain How Frozen Foreign Currency Accounts Can Be Paid Out Early

The Office of the High Representative (OHR) calls on parliamentarians to explain how Bosnia and Herzegovina is able to afford the amendments to the Law on Settlement of Frozen Foreign Currency Accounts adopted yesterday by the House of Representatives.

The OHR is eager to see savings in frozen foreign currency accounts repaid as soon as possible. However, it is also concerned that the amendments – which reduce the repayment period from 13 years to five and increase the historic rate of interest – would overburden Bosnia and Herzegovina's public finances.

The OHR recalls that in its opinion of 21 July 2006 the Council of Ministers concluded that the proposed amendments would both place an intolerable burden on Bosnia and Herzegovina's public finances and jeopardise payments to those whose accounts were frozen in 1991.

In effect, so unrealistic a plan means that former foreign currency savers are more likely to be left with nothing rather than have their funds returned in five years.

The International Monetary Fund too has warned that irresponsible pre-election spending may lead to post-election headaches, with the authorities forced to cut programmes and services because of a shortage of funds.

OHR calls on parliamentarians to carry out a proper review of the financial implications of these amendments before the

final vote on the law.

If the amendments are about providing long-term benefits to account-holders and not electioneering, their proponents should be able to explain how they will fund this legislation and what the effect they will have on other state, entity, and cantonal spending.

Frozen foreign currency account-holders deserve their money back. They should not have to endure false promises in the run-up to elections.