

Decision Terminating the Appointment of the Liquidation Receiver for “Privredna Banka a.d. Srpsko Sarajevo” and Transferring Competencies Concerning the Liquidation Proceedings for “Privredna Banka a.d. Srpsko Sarajevo” to the Banking Agency of the RS

In the exercise of the powers vested in me by Article V of Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said Agreement on the Civilian Implementation of the Peace Settlement; and considering in particular Article II.1.(d) of the last said Agreement, according to the terms of which the High Representative shall “Facilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation”;

Recalling paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative’s intention to use his final authority in

theatre regarding interpretation of the Agreement on the Civilian Implementation of the Peace Settlement in order to facilitate the resolution of any difficulties as aforesaid “by making binding decisions, as he judges necessary” on certain issues including (under sub-paragraph (c) thereof) “measures to ensure implementation of the Peace Agreement throughout Bosnia and Herzegovina and its Entities”;

Observing the importance that the international community attaches to the proper administration of the banking system of Bosnia and Herzegovina as an integral part of the peace implementation process;

Noting, by way of example of the said attachment, the welcome given by the Peace Implementation Council at the Conference held in London on 4-5 December 1996 to the commitment of the authorities in Bosnia and Herzegovina to pass laws in fields that include banking; further noting paragraph 44 a) of the Declaration of the Ministerial Meeting of the Steering Board of the said Council held in Luxembourg on 9 June 1998 in which the Board observed that new banking legislation should be adopted in both Entities; and still further noting the call to the authorities in Bosnia and Herzegovina, made by the said Council at its meeting in Brussels on 23-24 May 2000, for the said authorities to harmonize country-wide their approach in a number of areas including banking;

Recalling that the “Privredna Banka a.d Srpsko Sarajevo” was placed under provisional administration by a decision of the Banking Agency of Republika Srpska dated 20 June 2003;

Further noting the decision of the High Representative No. 299/04 of 7 November 2004, pursuant to which the banking license of “Privredna Banka a.d. Srpsko Sarajevo” was revoked and, in accordance with which, the Provisional Administrator commenced bankruptcy proceedings;

Recalling the report of the Provisional Administrator of

“Privredna Banka a.d. Srpsko Sarajevo”, dated 8 May 2006, in which she informed the Banking Agency of Republika Srpska and the High Representative that, due to the sale of property acquired by “Privredna Banka a.d. Srpsko Sarajevo” and due to the accumulation of substantial funds through the collection of outstanding debts, “Privredna Banka a.d. Srpsko Sarajevo” was in a solvent position as of 30 April 2006, and in which the Provisional Administrator recommended liquidation of “Privredna Banka a.d. Srpsko Sarajevo”;

Mindful of the Decision of the High Representative No. 17/06 of 21 June 2006, according to which liquidation proceedings were instituted for “Privredna Banka a.d. Srpsko Sarajevo”, and which, upon the written requests of the Banking Agency of Republika Srpska dated 12 and 19 May 2006, appointed a Liquidation Receiver for said bank;

Noting that the appointment of the Liquidation Receiver, as determined by the Decision of the High Representative No. 17/06 of 21 June 2006 and as extended by the Decisions of the High Representative No. 24/06 of 30 August 2006 and No. 28/06 of 30 September 2006, was sufficient to create conditions for the Banking Agency of Republika Srpska to assume responsibility for any further liquidation proceedings with respect to “Privredna Banka Srpsko Sarajevo, a.d.”;

Considering further, the final report of the Liquidation Receiver to the High Representative of 14 December 2006, which recommends, “Following a period of time as determined by the Banking Agency of Republika Srpska, the remnants of the “Privredna Banka Srpsko Sarajevo, a.d.” [...] be put into bankruptcy [proceedings] for final determination”;

Ever conscious of the need to ensure that the liquidation of “Privredna Banka a.d. Srpsko Sarajevo” can proceed efficiently, free from illegitimate outside interference;

Having taken into account and considered the totality of the

matters aforesaid, I hereby make and issue the following:

Decision

Terminating the Appointment of the Liquidation Receiver for "Privredna Banka a.d. Srpsko Sarajevo" and Transferring Competencies Concerning the Liquidation Proceedings for "Privredna Banka a.d. Srpsko Sarajevo" to the Banking Agency of the Republika Srpska

Article 1

This Decision herewith terminates the appointment of Ms. Toby Robinson as Liquidation Receiver of «Privredna Banka a.d. Srpsko Sarajevo», as appointed by the Decision of the High Representative No. 17/06 (Official Gazette of the Republika Srpska 63/06) and as extended by the Decisions of the High Representative No. 24/06 and No. 28/06, (Official Gazette of the Republika Srpska 89/06, 100/06).

Article 2

Ms. Toby Robinson shall, on the day of this Decision, submit to the Banking Agency of the Republika Srpska a copy of her final written report, as Liquidation Receiver, on the financial condition, legal status, and future prospects of «Privredna Banka a.d. Srpsko Sarajevo» (hereinafter: the Bank).

The transmission of the aforesaid Final Report shall accompanied by all documentation related to Liquidation Proceedings of the Bank, and any other relevant information that served as the basis upon which the Liquidation Receiver recommends that the remaining assets of the Bank be placed in bankruptcy proceedings.

Article 3

Herewith, the Banking Agency of the Republika Srpska shall be, in accordance with the Law on Banks of the Republika Srpska, responsible for Bank and any further liquidation proceedings.

Article 4

This Decision shall enter into force forthwith and shall be published without delay in the Official Gazette of the Republika Srpska.

Sarajevo, 15 December 2006
Dr. Christian Schwarz-Schilling
High Representative