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## **Department for Legal Affairs**



# **LAW ON CHANGES AND AMENDMENTS TO THE LAW ON SETTLEMENT OF LIABILITIES FOR FROZEN FOREIGN CURRENCY ACCOUNTS**

**“Official Gazette of Bosnia and Herzegovina”, 72/07**

**NOTE: The Law on Settlement of Liabilities for Frozen Foreign Currency Accounts was published in the “Official Gazette of Bosnia and Herzegovina”, 28/06.**

Pursuant to Article IV 4. a) of the Constitution of Bosnia and Herzegovina, the Parliamentary Assembly of Bosnia and Herzegovina at the 13<sup>th</sup> session of the House of Representatives held on July 31, August 1 and September 5, 2007, and at the 8<sup>th</sup> session of the House of Peoples held on September 24, 2007, adopted the

## **LAW**

### **ON CHANGES AND AMENDMENTS TO THE LAW ON SETTLEMENT OF LIABILITIES FOR FROZEN FOREIGN CURRENCY ACCOUNTS**

#### **Article 1**

In the Law on Settlement of Liabilities for Frozen Foreign Currency Accounts ("Official Gazette Bosnia and Herzegovina", Nos. 28/06 and 76/06), in Article 1, after paragraph (2), new paragraphs (3) and (4) shall be added to read:

"(3) Securing funds for undisturbed settlement of liabilities for frozen foreign currency accounts shall not be preconditioned with either the redistribution of the public spending funds or with the amending budget.

(4) For the purpose of finding possibilities for securing additional funds for settlement of liabilities for frozen foreign currency accounts, the finance ministries of the Entities and of the District shall regularly review the budget balance and find the possibilities for the redistribution of the possible surplus of the budget funds with objective of the more favorable conditions for the refund of the frozen foreign currency savings."

Current paragraph (3) shall become paragraph (5).

Current paragraph (4) that becomes paragraph (6) shall be amended to read:

"(6) In securing funds referred to in paragraph (2) of this Article, Bosnia and Herzegovina also participates from the available funds on the basis of succession of the former SFRY and other available funds, and the Council of Ministers of Bosnia and Herzegovina shall by its decision determine the amount and the method of use of such funds."

Current paragraph (5) shall become paragraph (7).

#### **Article 2**

In Article 2 after paragraph (2), paragraph (3) shall be added to read:

"(3) The liability of repayment of debt from the foreign currency accounts and foreign currency saving deposits, referred to in paragraph (2) of this Article, concluded with the banks with seats outside Bosnia and Herzegovina, pursuant to the Succession Agreement,

is the liability of the state, successor of the former SFRY, at which territory the seat of such bank was located. Bosnia and Herzegovina undertakes to assist, through its international activities, to the depositors who have savings with such banks to exercise their rights, at the least equally as to the depositors of the banks that had their seats in the territory of Bosnia and Herzegovina."

### **Article 3**

In Article 5 after the word "that", the words: "for justified reasons" shall be added, and after the word: "may", the words: "in accordance with this Law" shall be added.

### **Article 4**

In Article 6 paragraph (4) shall be amended to read:

"(4) If the claimant holds more than one account, all accounts shall be individually verified and the amounts combined. Each individual claimant will only receive one verification certificate in the territory of one Entity, i.e. District."

Paragraph (5) shall be deleted.

### **Article 5**

In Article 8, paragraph (1), Article 9, paragraph (1), Article 10, paragraph (1), indent i), Article 16, Article 20, paragraph (4), Article 24 and Article 25 paragraphs (1) and (2), the words: "District Revenue Administration" in various grammatical cases shall be replaced with the words: "District Finance Directorate" in corresponding grammatical case.

### **Article 6**

Article 8 shall be amended to read:

"Article 8

#### **(Reporting of Information)**

(1) In the procedure of verification of the frozen foreign currency accounts, the banks, the Federation Privatization Agency, and other institutions of the entities and of District, which dispose of the information of significance for the verification of the frozen foreign currency accounts, shall be required to cooperate with the finance ministries of the Entities and with the District Finance Directorate, agencies and commissions, and deliver all the information relevant for the verification procedure to them.

(2) The institutions referred to in the paragraph (1) of this Article shall be required to check their databases and organize them in such way that they can be used as authentic in

the verification procedure, and separately present the information on interests related to the period until December 31, 1991, and period after that date."

#### **Article 7**

In Article 11 the words: "any of" shall be deleted, and at the end of the text, the comma shall be placed instead of the full stop, and the words: "or in places nearest to these places" shall be added.

#### **Article 8**

In Article 17 paragraph (1) shall be amended to read:

"(1) Deadline for filing of requests for verification of the frozen foreign currency accounts is minimum six months from the beginning of the verification procedure in accordance with the implementing regulations of the Entities and of the District, whilst the Agencies are required to complete the verification procedure within 12 months from the said beginning of the verification procedure."

After paragraph (1), new paragraph (2) shall be added to read:

"(2) Notwithstanding the provisions of the paragraph (1) of this Article, the additional deadline for the filing requests for verification of one month is established, which shall end until September 30, 2007 at the latest, and the Agencies shall be required to complete the verification procedure until December 15, 2007 at the latest."

Current paragraph (2) shall become paragraph (3).

#### **Article 9**

In Article 20 paragraphs (3) and (4) shall be deleted.

#### **Article 10**

After Article 20, new Article 20a shall be added to read:

"Article 20a

#### **(Dissenting views regarding the location of liabilities)**

(1) With objective of solving the dissenting views regarding the location of liabilities in accordance with paragraph (3) of Article 1 of this Law, the Council of Ministers of Bosnia and Herzegovina shall appoint a special commission.

(2) The Commission referred to in paragraph (1) of this Article shall be composed of the representatives of the Entities and District on a parity basis and one representative of the Council of Ministers of Bosnia and Herzegovina."

#### **Article 11**

In Article 21 paragraph (1) indent a), the words: "not to exceed 13 years, but not later than December 31, 2020," shall be replaced with words: "not to exceed nine years, but not later than December 31, 2016,".

#### **Article 12**

In Article 23, after paragraph (3), a new paragraph (4) shall be added to read:

"(4) The settlement of liabilities for frozen foreign currency accounts shall have the same priority like the settlement of liabilities for the servicing the external debt."

Current paragraph (4) shall become paragraph (5).

#### **Article 13**

Article 27 shall be amended to read:

" Article 27

#### **(Enforceable Court Decisions)**

The court shall be required to submit the enforceable court decisions for frozen foreign currency accounts the finance ministries of the Entities, i.e. to the District Finance Directorate."

#### **Article 14**

This Law shall enter into force on the day following its publication in the "Official Gazette of Bosnia and Herzegovina".

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PS Bosnia and Herzegovina No. 106/07  
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Sarajevo

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Speaker  
House of Representatives  
Parliamentary Assembly of Bosnia and Herzegovina  
**Beriz Belkić**

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Speaker  
House of Peoples  
Parliamentary Assembly of Bosnia and Herzegovina  
**Ilija Filipović**