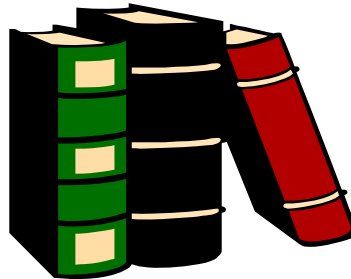




Emerika Bluma 1, 71000 Sarajevo
Tel. 28 35 00 Fax. 28 35 01

Department for Legal Affairs



DECREE ON THE PROCEDURE OF VERIFICATION OF CLAIMS AND CASH PAYMENTS ARISING FROM FROZEN FOREIGN CURRENCY ACCOUNTS IN THE FEDERATION OF BOSNIA AND HERZEGOVINA

**“Official Gazette of the Federation of Bosnia and Herzegovina”,
33/06**

[NOTE: Decree on Changes to the Decree on the procedure of Verification of Claims and Cash Payments Arising from Frozen Foreign Currency Accounts in the Federation of Bosnia and Herzegovina was published in the “Official Gazette of the Federation of Bosnia and Herzegovina”, 66/06.](#)

[NOTE: Decree on Changes to the Decree on the procedure of Verification of Claims and Cash Payments Arising from Frozen Foreign Currency Accounts in the Federation of Bosnia and Herzegovina was published in the “Official Gazette of the Federation of Bosnia and Herzegovina”, 5/07.](#)

[NOTE: Decree on Changes to the Decree on the procedure of Verification of Claims and Cash Payments Arising from Frozen Foreign Currency Accounts in the Federation of Bosnia and Herzegovina was published in the “Official Gazette of the Federation of Bosnia and Herzegovina”, 65/07.](#)

On the basis of Article 18, paragraph 4 and Articles 26 and 29 of the Law on Settlement of Liabilities for Frozen Foreign Currency Accounts ("Official Gazette of Bosnia and Herzegovina", No. 28/06), the Government of the Federation of Bosnia and Herzegovina hereby enacts the following,

DECREE

ON THE PROCEDURE OF VERIFICATION OF CLAIMS AND CASH PAYMENTS ARISING FROM FROZEN FOREIGN CURRENCY ACCOUNTS IN THE FEDERATION OF BOSNIA AND HERZEGOVINA

I GENERAL PROVISIONS

Article 1

This Decree shall regulate the procedure, manner and deadlines of verification of claims as well as the regulate the procedure and deadlines of cash payments arising from the frozen foreign currency accounts, deposited in the lowest operational units of the banks in the territory of the Federation of Bosnia and Herzegovina (hereinafter: the Federation), with a balance as of December 31, 1991, which includes all interest accrued before this date, decreased by the amounts directly paid out by the bank after this date and by funds transferred and used to the Single Account in the Federation of Bosnia and Herzegovina.

Article 2

The account holders who have sold their Frozen Foreign Currency account certificates in the Federation BiH to third persons shall not have the right to file a claim for verification.

The purchasers of Frozen Foreign Currency account certificates in the Federation BiH may only use these certificates in the privatization process and shall not have the right to file a claim for verification.

Article 3

The accrued and unpaid interest for Frozen Foreign Currency Accounts referred to in Article 1 of this Decree from of January 1, 1992 to April 15, 2006, is hereby cancelled, and in accordance with Article 4 of the Law on Settlement of Liabilities for Frozen Foreign Currency Accounts (hereinafter: the Law) for the same period the new interest rate shall be calculated at 0,5%.

II VERIFICATION – GENERAL PRINCIPLES

Article 4

Verification represents the necessary procedure, which identifies the claimants, verifies the amounts of Frozen Foreign Currency Account deposits belonging to each claimant and registers all claims for Frozen Foreign Currency Accounts, and accordingly verification confirms and does not redefine or violate existing rights.

At the conclusion of the verification procedure, the claimant will be given a verification certificate identifying the claimant and verifying the amount of the Frozen Foreign Currency Account.

The certificate from paragraph 2 above will be the basis for the settlement of the Frozen Foreign Currency Account claims and will be issued in the form and shall include the following provisions:

1. Each individual account referred to in Article 1 of this Decree and the verified amount and identity of the holder;
2. Waiver of appeal;
3. The bank name and account number to be used for receipt of the cash payment and for payment for issued of bonds.

If the claimant holds more than one account, all accounts shall be individually verified and the amounts combined for the establishment of the total amount of claims. Each individual claimant will only receive one verification certificate.

Verification of the amount of foreign currency account deposits of each claimant shall be made cumulatively in case of deposits held in one or more banks, pursuant to Article 1 of this Decree.

Article 5

The following shall carry out verification of the Frozen Foreign Currency Accounts:

1. Agency for Brokerage, Information and Financial Services DD Sarajevo,
2. Agency for Providing Brokerage, Information and Financial Services Mostar (hereinafter: Agency).

Within 15 days from the day of entering into force of this Decree, the Ministry of Finance shall exchange databases:

1. For all Frozen Foreign Currency Account deposits, verification and settlement of which, according to the Law, shall be carried out in Republika Srpska or Brčko District of Bosnia and Herzegovina (Hereinafter: the District) with the Ministry of Finance of Republika Srpska, for the following business units: Lopare, Rogatica, Sokolac, Ljubinje, Nevesinje, Han Pijesak, Kalinovik, Sipovo, Pale, Trnovo, Brčko and East Sarajevo.
2. For all Frozen Foreign Currency Account deposits, verification and settlement of which, according to the Law, shall be carried out in the Federation, which has been in the period from 1992 afterwards included in the banks with seats

in Republika Srpska, for the following: Drvar, Glamoč, Bosanski Petrovac, Bosansko Grahovo, Ključ, Sanski Most, Bosanska Krupa, Tešanj, Maglaj, Odžak, Ilidža.

Article 6

In the Foreign Currency Accounts verification procedure, the banks and the Privatization Agency of FBiH shall be required to cooperate with the Federation Ministry of Finance (hereinafter: Ministry of Finance), Agency referred to in Article 5, paragraph 1, items 1 and 2 of this Decree and the Commission for the verification of the frozen foreign currency accounts referred to in Article 6 of the Law (hereinafter: the Commission).

In the verification procedure, the banks are required to examine accuracy of their databases and make them available to the Agency referred to in Article 5, paragraph 1 of this Decree:

1. Balance of the account on 31 December 1991 with registered interest by that date;
2. Separate statement of interests after 31 December 1991; and
3. Payments made from the accounts after 1 January 1992.

If a bank does not have lower operational units, in connection with Article 1 of this Decree, then the seat of the bank shall be deemed the lowest operational unit.

Article 7

As part of the Frozen Foreign Currency Account verification procedure, the Ministry of Finance shall publish a Notice for Verification of the Frozen Foreign Currency Accounts in, at least, two daily newspapers available in the entire territory of Bosnia and Herzegovina and on the Internet at least three times before expiration of the deadline for verification.

The first publication of this Notice for Verification will be within 15 days upon the entry into force of this Decree and thereafter notices shall be published every two months until expiration of the deadline for filing a request for verification.

The Ministry of Finance shall, in accordance with Article 9 of the Law, request from the Ministry of Foreign Affairs of Bosnia and Herzegovina to publish the Notices for Verification, through Embassies and Consulates of Bosnia and Herzegovina in those countries.

Article 8

The Agency shall be required to:

- a) Establish, perform updates on a regular basis, and maintain frozen foreign currency account Register (hereinafter: Register) for each claimant, and update all necessary banking information, as well as the information of the Privatization Agency of the Federation of BIH for transferred and used funds from the unique citizen account in the Federation, which are necessary for the

verification of claims under the Law, with prior consent of the Ministry of Finance;

- b) Develop and implement necessary security procedures that protect and ensure the integrity of data maintained in the Register;
- c) Ensure the formation of the separate database on the frozen foreign currency savings from the branch offices and lower operational units that existed on the territory of the Republika Srpska and Brčko District identifying all claimants and the amounts of all claims.

In the frozen foreign currency account verification procedure, the Agency shall be required to:

1. Receive the request for verification of frozen foreign currency savings claims (hereinafter: the claim) along with other corresponding documents, and issue a receipt on received claim and enclosed documents referred to in articles 10 and 11 of this Decree;
2. Establish the identity of the claimant and authenticity of the documents provided;
3. Compare the data from the passbook with those in the Register;
4. Calculate and transfer the interests under annual rate of 0.5% on the basis of data from the banks referred to in Article 6, paragraph 2 of this Decree and on the basis of other data from the Register, and present it separately;
5. Perform the verification of the frozen foreign currency accounts claims in accordance with the Law and provisions of this Decree;
6. Issue the verification certificate to each claimant referred to in Article 4, paragraph 2 of this Decree, and in the event that the claim is not grounded, reject it by a first instance decision;
7. Establish a database of disputed claims;
8. Upon completed verification, in accordance with the Law and this Decree, insert the word “verificirano” (*verified – translator’s remark*) in the passbook, stamp, insert the number of the verification certificate and the date of certification;
9. Report to the Ministry of Finances on the course of verification on a regular basis, at least once a month;
10. Establish archives on finalized frozen foreign currency accounts verification;
11. Make a report on completed verification of the frozen foreign currency savings claims for each processed claim;

12. Make a combined report on all verified claims with elements from the individual reports; and
13. Perform other operations pursuant to the Law, this Decree and contracts concluded with the Ministry of Finance.

III CLAIMS FILING PROCEDURE

Article 9

The claimant shall be required to personally or by proxy submit the request referred to in Article 8, item 1 of this Decree at any of the business units of the Agency in places of the bank branch offices or the bank's lower operational units where the frozen foreign currency accounts were deposited, or in the places closest to them.

Article 10

For the verification purposes, the frozen foreign currency account claimant shall be required to personally or by proxy submit the following documentation to the Agency:

1. The request for verification;
2. The original passbook of the claimant or other original bank documents, contract or card establishing the frozen foreign currency account;
3. The final and binding court decision on inheritance, if the frozen foreign currency account has been obtained by inheritance;
4. The ID card or the travel document of the claimant;
5. The birth certificate for the underage claimants;
6. The power of attorney certified by the authorized body if the proxy is to act on behalf of the claimant;
7. The original or certified copy ID card or the travel document of the proxy;
8. Legally valid gift contract if the frozen foreign currency account has been gifted to another person; and
9. Any other documents that may facilitate verification, including receipts or other documents where the amount or ownership of the frozen foreign currency accounts deposits are registered.

If the original passbook has been lost or destroyed or the claimant filing the request does not possess one or more documents referred to in the paragraph 1 of this Article, the claimant shall be entitled to file a request for verification and produce any other

documents or other evidence that demonstrates proof of the claim for frozen foreign currency accounts.

Article 11

Along with the request for verification, documents must be submitted to the Agency that sufficiently establish the identity of the claimant:

- 1) If the original holder has died, the claim for the frozen foreign currency accounts may be inherited and proved by submission of the legally valid court decision on inheritance,
- 2) If the right to frozen foreign currency account has been gifted to another person, the claim shall be proved by submission of the legally valid gift contract,
- 3) If the proxy is acting on behalf of the claimant or is accepting cash payment on behalf of the claimant, then an original certified power of attorney must be submitted to the Agency, and shall be kept by the Agency.

IV VERIFICATION OF CLAIMS

Article 12

The claimant must file the request within the time limits established in Article 14 of this Decree.

The Agency shall register the claim and assign a unique identifying number to each claim, then the Agency shall stamp the request for verification, and then shall hand the stamped copy to the claimant, which copy shall constitute the filing receipt for the claim.

All original documents, except for the passbook, and the documents required in articles 10 and 11 of this Decree shall be copied by the Agency and returned to the claimant. The passbook may be retained by the Agency until the completion of the verification procedure. However, the claimant has the right to provide a certified copy of the entire passbook to the Agencies and thereafter to keep possession of the original passbook.

Article 13

Upon submission of the claim, the Agency shall in due course verify the validity of information from the documents submitted by the claimants pursuant to articles 10 and 11 of this Decree and shall verify the individual requests matching them against the information from the Register referred to in Article 8, paragraph 1, item 1 of this Decree.

If the Agency finds out that there is a lack of some information, or a document on the basis of which the actual balance of accounts of the frozen foreign currency accounts can be determined, the Agency shall request, in writing, from the claimant or proxy to deliver additional information or documents within 30 days but in any event not longer than the deadline for filing a request for verification as set out in Article 14 above.

If the Agency does not receive the requested information or documents or if on the basis of the obtained information and documents is not possible to verify either the identity of the claimant or the verify the amount of the frozen foreign currency accounts claim, the Agency shall deny the verification request and shall instruct the claimant to exercise his/her rights by filing an appeal with the Commission.

The decision of the Commission shall be final and binding, and an appeal cannot be filed against it, but an administrative dispute may be instituted before a competent court.

In the frozen foreign currency account verification procedure, the Agency and the Commission are required to act pursuant to the Law on Administrative Procedure ("Official Gazette of the Federation of BiH" Nos. 2/98 and 48/99).

After the verification procedure has been completed for each individual claim, the Agency shall be required to inform the claimant in writing whether the request has been granted or denied, as follows:

- 1) If the request is granted, the Agency shall issue the verification certificate referred to in Article 4 of this Decree, and foreign currency passbook shall be stamped in accordance with Article 8 of this Decree and shall be returned to the claimant;
- 2) In the event that the request is denied, the decision on denial of the request shall be issued to the claimant and he/she shall be instructed to exercise his/her rights in the appeal procedure.

Article 14

The time limit for filing requests for verification of the frozen foreign currency accounts shall be 16 October 2006, and the Agency shall be bound to complete the verification by 15 January 2007.

Verification completed until the day of entering into force of the Law shall be accepted as a legally valid for the purpose of the Law, and verified amount shall be increased for the amount of the corresponding interest referred to in Article 4 of the Law. For requests where the verification procedure commenced under the former regulations, the verification procedure shall be carried out in accordance with the provisions of this Decree.

Article 15

The Agencies shall also be required to maintain a register of disputed claims, which shall include all claims submitted to the Commissions as disputed, as well as all cases pending before the courts. This register shall include the information identifying the

persons claiming the frozen foreign currency accounts, identification and information on the deposit accounts and the amount of the deposits.

Upon a final decision, the Commission shall submit a copy of its decision to the Agency and Ministry of Finance and thereafter the procedure pursuant to the provisions of Article 16 of this Decree shall apply.

As court decisions on disputed claims are finalized and become enforceable they are to be submitted to the Ministry of Finance for action by the claimant along with a request for verification within 15 days, in accordance with the Law and this Decree.

If the verification procedure has been completed before a court decision becomes enforceable, the claimant shall submit the final enforceable court decision to the Ministry of Finance for action, in accordance with the Law.

V CASH PAYMENTS

Article 16

If the verification of the individual claim is completed and the claimant agrees with the amount verified by the Agency, the claimant shall sign the verification certificate. The claimant, after signing the waiver of appeal shall be entitled to a cash payment of a maximum amount of KM 100, or the total amount of the claim up to KM 100, following the announcement in accordance with the paragraph 4 of this Article.

Each individual claimant registered with the Register shall be paid a maximum amount of KM 1000, or the total amount of the claim up to KM 1000, which also includes the amount paid pursuant to the paragraph 1 of this Article.

Cash payments referred to in paragraphs 1 and 2 of this Article shall be made in 2006 and 2007, and not later than 31.12.2007 from the Unique Account of the Treasury of the Federation of BiH.

Every 60 days during the verification procedure, the Ministry of Finance will publish review of individually issued certificates with the identifying number in the "Official Gazette of the FBiH" and two daily newspapers of general circulation, which is precondition for cash payments. The claimant must provide the name of their bank and the bank account number to the Agency, which will be entered onto the verification certificate and added into their registers.

The Government of the Federation of BiH shall make the Decision for each fiscal year referred to in paragraph 3 of this Article, which shall determine the procedures and timelines of the cash payments referred to in paragraphs 1 and 2 of this Article, as planned by the budget for respective years.

Article 17

The Ministry of Finance shall reduce the total amount of individual claims for the frozen foreign currency accounts for the cash payments referred to in Article 16 of this Decree, and it shall register them in the Register.

VI TRANSITIONAL AND FINAL PROVISIONS

Article 18

The Ministry of Finance shall be authorized in accordance with Article 26 of the Law, enact the implementing regulations on the verification procedure as required within 15 days from the day when this Decree takes effect.

Article 19

The enforcement of court decisions held by judgment creditors for frozen foreign currency savings accounts shall be subject to verification in order to register claims, which shall be proved by submission of the enforceable court decisions. Judgment creditors shall be required to submit those court decisions to the Agency along with the request for verification. In the verification procedure, the provisions of the Law shall apply stipulating the cancellation of interest, ascribing of interests, cash payments and issuance of bonds.

Article 20

This Decree shall enter into force on the day following its publication in the “Official Gazette of the Federation of Bosnia and Herzegovina.”