

OHR on Frozen Foreign Currency Savings

Freedom of speech and freedom of assembly are cornerstones of a functioning democracy, the OHR said in a statement issued today. Inflammatory threats, however, have no place in democratic dialogue. The OHR was responding to a newspaper report that supporters of amendments to the BiH Frozen Foreign Currency Savings Law will organise demonstrations in the event of the amendments to the law being repealed by the new parliament.

The amendments to the State-level Law on Frozen Foreign Currency Savings cannot be funded, and would damage the interests of the entire population as well as the interests of deposit holders. Simply put, the country cannot pay this much money.

The amendments to the Law introduce an additional cost of KM 1.7 billion KM in interest and reduce the repayment period from 13 to five years.

The total debt of KM 3.4 billion that would be paid to deposit-holders represents more than 20 percent of this year's GDP and yet no resources to pay the additional costs have been identified.

The amendments would undermine the country's financial stability, reduce the governments' capacity to deliver basic public services and would NOT result in higher payments to holders of frozen foreign currency accounts – because the governments' ability to honour their financial obligations would be compromised.

When it met last week in Sarajevo the Steering Board of the Peace Implementation Council underlined that the debt

settlement package that was agreed before the amendments is the very best possible settlement under BiH's current economic circumstances.