

Supervisory Order on the Privatization of Certain Assets of Banks Located in Brcko District

Pursuant to powers vested in me by paragraph 37 of the Final Arbitral Award dated March 5, 1999;

In furtherance of the Framework Law on Privatization of Enterprises and Banks in BiH ("Official gazette of BiH" 14/98) which recognizes the right of the Entities to privatize non-privately owned enterprises and banks located on their territories;

Recalling paragraph 61 of the Final Award providing that the Entities have delegated all of their powers of governance to the Brcko District, and paragraph 12 of the Annex providing the right of the Brcko District to administer non-privately owned (public) property and privatize it with the approval of the Supervisor in accordance with the BiH Framework Law on Privatization;

Noting that the Supervisory Order on the Conduct of Privatization of State Capital of Enterprises in the Brcko District of Bosnia and Herzegovina of September 19, 2001, does not regulate the privatization of the assets of banks on the territory of the Brcko District;

Recognizing that economic and practical considerations, such as the absence of a District banking regulatory agency and the presence of banks and bank branches subject to Entity banking regulations including minimum capital requirements, have dictated that the state capital of banks on the territory of the Brcko District that would be under privatization by the Brcko District in accordance with Article 12 of the Annex to

the Final Award were, instead, privatized by the Entities through an agreement with the Brcko District and with the approval of the Supervisor;

Intending to create a legal framework to regulate disposal of any assets that have remained property of the District after the privatization of the state capital of banks by the Entities;

Aiming at advancing the privatization process in the Brcko District;

I hereby Order that:

1. The Privatization Office of the Brcko District is authorized to privatize through a tender, public auction or direct sale any assets located in the Brcko District which were not disposed of during the privatization process, and which used to be part of:

I. banks under privatization by the Entities;

II. banks whose state capital has been privatized by the Entities with the approval of the Supervisor.

2. The Mayor of the Brcko District shall enter into binding contracts for the sale of the assets described in Paragraph 1 of this Order on behalf of the Brcko District, based on the recommendations of the Privatization Office. The Privatization Office shall monitor contract compliance.

3. This Order shall have immediate effect and shall be published in the "Official gazette of the Brcko District of Bosnia and Herzegovina".

Henry L. Clarke
Deputy High Representative
Supervisor of Brcko