

The Law on Securities Presented in Brcko Today

The presentation of the Draft Law on Securities of Brcko District of BiH was held today in Brcko, at the District Assembly premises in Brcko Dom Kulture..

The Law on Securities regulates: issuance and trade of securities in Brcko District of Bosnia and Herzegovina, authority and responsibilities of participants on the securities market, establishment and competence of the Securities Commission of the District, protection of investors' interests on the securities market, public character of activities in trading securities and the Central Registry of Securities of the District.

Brcko Supervisor Henry L. Clarke stressed at the presentation that the Law, when properly implemented, would have a huge significance for the District. "First, this law is a critical step in the self-governing status of the District, as required by the Final Award. It creates a Securities Commission, a Securities Registry, and a set of rules that will enable private companies in the District to issue their own securities. Second, this law creates part of the framework for the District Government to issue bonds or other debt instruments. Third, and perhaps in the long run most important, the ability to issue and trade securities in Brcko will develop the capital market here – and provide more business opportunities in the private sector," said Ambassador Clarke.

The District Assembly is expected to take the next steps – passing the law, and providing in the budget rebalance for the independent Commission and Registry. The Supervisor warned that the urgency arose from the fact that privatized companies needed to resolve the status of their minority shares.

Additionally, all other companies that are growing need the opportunity to issue new securities.

The draft foresees that the Assembly will create Brcko's first independent regulatory commission. The Commission will report to the Assembly at least annually, which makes the Assembly responsible for oversight. "This Commission is a critical part of a modern capitalist economy. As we all know, the freedom of private companies to create wealth must be balanced by limited, effective regulations, to ensure the companies serve the public interest as well as their own interests," Supervisor added.

The draft Law on Securities of the Brcko District of BiH was presented to the members of the District Government, Assembly Councilors, representatives of the District Tax Administration Office, Chamber of Commerce, Revenue Agency, Privatization Office, and representatives of the local bank offices in Brcko. The presentation was organized by OHR Brcko, in co-operation with the Brcko District Assembly.

The draft Law on Securities will enter the Assembly procedure at the next District Assembly session scheduled for 25 June 2003.