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Legal Department



LAW AMENDING THE LAW ON BUDGETS IN THE FEDERATION OF BOSNIA AND HERZEGOVINA

**“Official Gazette of the Federation of Bosnia and Herzegovina”,
25a/22**

**PARLIAMENT OF THE FEDERATION
OF BOSNIA AND HERZEGOVINA**

531

Pursuant to Article IV.B.7. a)(IV) of the Constitution of Federation of Bosnia and Herzegovina, I hereby enact the following

**DECREE
PROMULGATING THE LAW AMENDING THE LAW ON BUDGETS IN THE
FEDERATION OF BOSNIA AND HERZEGOVINA**

I hereby declare the Law amending the Law on Budgets in the Federation of Bosnia and Herzegovina promulgated as adopted by the Parliament of the Federation of Bosnia and Herzegovina at the House of Representatives session held on 28 March 2022, and the House of Peoples session held on 31 March 2022.

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31 March 2022
Sarajevo

Speaker
Marinko Čavara, s. r.

**LAW
AMENDING THE LAW ON BUDGETS
IN THE FEDERATION OF BOSNIA AND HERZEGOVINA**

Article 1

In the Law on Budgets in the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of BiH, 102/13, 9/14, 13/14, 8/15, 91/15, 102/15, 104/16, 5/18, 11/19 and 99/19), Article 2 shall be replaced with the following:

"Article 2

Terms used in this Law shall mean as follows:

1. **appropriation** constitutes a legal authorization, contained in the budget, provided by a legislative body to budget users in order for the latter to assume the obligations concerning procurement of goods, services, works or facilities which shall be used for the purposes defined in budget, in the amounts which may not be higher than the amount approved for those purposes during a fiscal year;
2. **strategic planning acts** shall mean projects, plans, strategies and similar;
3. **the gross principle** shall mean showing all revenues and receipts as well as expenditures and expenses in their full amounts;
4. **budget** shall mean a document used to plan revenues and receipts, and expenditures and expenses of the Federation of Bosnia and Herzegovina (hereinafter: the Federation), cantons, towns and municipalities for the period of one fiscal year;
5. **budget expenses** shall mean expenses for financial and non-financial assets and repayment of credits and loans;
6. **budget and off-budget oversight** shall mean a system of control of material and financial business operations of budget users, legal and natural persons whose funds are earmarked

- in the budget and the financial plan;
7. **budget inspection** shall mean control over the implementation of laws in the field of financial operations, purposeful and lawful spending of funds by users of budget funds;
 8. **budget calendar** shall mean the procedure of preparing and adopting budgets and financial plans of off-budget funds;
 9. **budget users** shall mean ministries, and other administrative authorities, and other entities included in the budget as budget users;
 10. **budgetary granting of funds** shall mean an indicative amount of funds to cover expenditures and expenses, which is set for a budget user on a monthly basis;
 11. **budget revenues** shall mean public revenues, received transfers and donations;
 12. **budget receipts** shall mean inflows of money from financial and non-financial assets, and borrowing;
 13. **budget expenditures** are regulated through law and through regulations enacted on the basis of law, for operations, functions and programmes which are planned in the budget and the financial plans of budget users. Budget expenditures include the cost of salaries and compensations for employees, contributions from employers and other contributions, expenses for materials, small inventory and services, current transfers and other current expenditures, capital transfers, and expenses for interests;
 14. **budget accounting** is an accounting system regulating planning, recording, analysing, monitoring and reporting on business events of budget users and off-budget funds;
 15. **donation** shall mean dedicated revenue of the budgets, budget and off-budget users and off-budget funds accrued through contributions from natural and legal entities, foreign governments, international organisations and others;
 16. **debt** of the Federation, cantons, towns, and municipalities shall mean internal or external debt expressed in local or foreign currency incurred based on the law, through borrowing and constitutes an absolute and unconditional obligation of the Federation, cantons, towns, and municipalities;
 17. **financial plan** is a document of the off-budget fund and off-budget user used to define revenues and receipts, as well as expenditures and expenses for one year, in accordance with this Law;
 18. **financial request** shall mean a budget user document defining revenues and receipts, as well as expenditures and expenses for a year, in accordance with this Law;
 19. **financial reporting** shall mean a set of information with regards to financial standing, profitability of business, cash flows of the budget, and budget users, of off-budget funds and off-budget users;
 20. **fiscal year** shall mean a period from 1 January to 31 December;
 21. **functional classification** shall mean a set of tasks, functions and programmes of the Federation, cantons, towns and municipalities and off-budget funds classified per their intended purpose;
 22. **main treasury ledger** is a systemic record of transactions and business activities, revenues and receipts, expenditures and expenses, as well as status of assets, obligations, receivables and sources of funds which have been incurred in line with the budget during a fiscal year or in relation to a specific date, providing information on transactions and business events in line with the stipulated chart of accounts and at the level of stipulated budgetary classifications;
 23. **programme-based budgeting** shall mean the process of preparing, adopting and implementing the budget per budget programmes, where expenditures for each programme shall be segregated per relevant economic classification;
 24. **main programme** (budget main programme) is a set of programmes implemented by one

or more budget users, which together form a single public policy area (hereinafter: main programme);

25. **performance indicators** are used to monitor progress in achieving expected results of the expenditures and public policy programme; they are segregated according to the level of expected result into indicators of outputs (relating to goods and services produced and/or provided by governmental/public organisations) and indicators of end results/outcomes (measuring what has been accomplished through programme/policy implementation, i.e. outcomes for end users);
26. **internal control** shall mean various mechanisms ensuring proper implementation of decisions related to budgetary and other policies, especially in the following areas: financial reporting, efficient communication systems between managers and their staff, accounting controls, process controls and public procurement controls;
27. **internal audit** is an independent objective assurance and consultancy activity created with the aim of adding value and improving the business operations of an organisation. It helps an organisation achieve its goals by ensuring a systematic, disciplined approach to assessment and improvement of risk management efficiency, controls and management processes;
28. **financial management and control** is a comprehensive system of internal controls set up by and under the responsibility of managers of the users of public funds, and which are used, by managing risks, to ensure reasonable assurances that budget funds and other funds shall be used in a proper, cost-efficient, efficient and effective way in the attainment of goals;
29. **public revenues** are revenues from taxes, fees, charges, contributions, fines and other public revenues as defined in the laws and other regulations of Bosnia and Herzegovina, Federation, cantons and units of local self-government;
30. **public financing** shall mean activities of the state and the Entities related to the acquisition of public revenues and implementation of public expenditures;
31. **public investments** constitute part of the budget funds planned for investments into a significant increase of value of non-financial assets by acquiring infrastructure of general significance, local infrastructure, buildings, land and equipment;
32. **single treasury account** is a system of budget bank accounts through which the payments of revenues and receipts, payments of expenditures and expenses are made and entered into the system of the Main treasury ledger;
33. **capital budget** shall mean an overview of expenses for funding of capital investments from the budget, credits, donations, and/or other sources;
34. **consolidation** shall mean showing financial data of several mutually connected budgets and/or budget users, and off-budget funds as if they were a single entity;
35. **modified accounting basis of an event** shall mean an accounting basis according to which the revenues are recorded and recognized in the period when they are available and measurable, and expenditures are recognized in the moment when the obligation arises;
36. **net procurement of non-financial assets** shall mean the difference between receipts from the sale of non-financial assets and expenses for procurement of non-financial assets;
37. **net financing** shall mean the difference between receipts from financial assets and borrowing and expenses for procurement of financial assets and debt repayment;
38. **operating plan** shall mean an amount of funds required to cover expenditures and expenses which, at the proposal of a budget user, are approved by the Minister of Finance, a mayor, and manager of an off-budget fund;
39. **European Union assistance** shall mean the funds taken into the budget through accession programmes and European Union funds;

40. **dedicated revenues** shall mean revenues whose use and purpose have been defined by special regulations;
41. **programme (budget programme)** is a set of activities and measures that a budget user implements in line with their competencies and strategic goals, which contribute to the achievement of a common goal of a government policy (hereinafter: programme);
42. **programme classification** shows expenditures and expenses classified per categories of programme structure;
43. **programme activity** is planned within a programme to achieve programme goals and has no time limit;
44. **a project** is planned within a programme to achieve programme goals and has a time limit;
45. **budget projection** shall mean the projection of budget revenues and receipts, as well as budget expenditures and expenses;
46. **financing account** is part of the budget which shows the method of financing a budget deficit, and the use of a budget surplus;
47. **register of budget users** is a list of budget users of the Federation, canton, municipality and city budget;
48. **special control position** constitutes allocations within a programme that are specially planned and adopted in the budget in order to allow oversight by the Government of the Federation of Bosnia and Herzegovina and the Parliament of the Federation of Bosnia and Herzegovina;
49. **subsidies** are current transfers given to producers in order to stimulate production of certain products and provision of certain services;
50. **current balance** is the difference between budget revenues and budget expenditures. Positive difference between revenues and expenditures is called a current surplus and a negative difference is called a current deficit;
51. **special purpose transfers** are transfers given to other levels of government or off-budget funds within programmes coming from the Government budget or the fund providing the transfer and whose use is defined and cannot be used for other purposes;
52. **total surplus/deficit** shall mean the difference between the current surplus/deficit and the net procurement of non-financial assets;
53. **total financial result** shall mean the sum of the total surplus/deficit and net financing;
54. **off-budget fund** shall mean a legal entity, established on the basis of law, which is financed from dedicated revenues or contributions. Off-budget funds, for the purpose of this Law, are considered to be healthcare funds, employment funds, as well as other funds established under the law;
55. **off-budget users** for the purpose of this Law shall mean business companies, organisations and institutions performing public services and are founded through special regulations, and other legal entities where the Federation, cantons, towns and municipalities have a deciding influence over management based on the capital structure;
56. **multi-annual capital investments** for the purpose of this Law shall mean investments into significant purchase of permanent resources and capital transfers in the amount of at least BAM 2.000.000 at the level of the Federation, or BAM 500.000 at the level of the cantons, which implies multi-annual investments in duration of at least three years, which are planned and adopted in public investment programmes and are partly or fully funded from the funds of the Federation or cantonal budgets;
57. **own revenues** shall mean revenues acquired by doing economic activity that does not include basic activities as stipulated by the laws and other regulations concerning the establishment and definition of the scope of work of budget users, off-budget funds and off-budget users;

58. **borrowing** shall mean the taking of credits, loans or issuing of securities;
59. **existing state aid** shall mean all state aid that existed before the State Aid Council of Bosnia and Herzegovina was established, and/or state aid programmes and individual state aid whose implementation started before and continued also after the State Aid Council of Bosnia and Herzegovina was established, state aid that was approved and aid that is considered existing state aid in accordance with provisions of the Law on state aid system in Bosnia and Herzegovina, and aid that is considered existing state aid because it is possible to ascertain that at the moment when its implementation started it didn't constitute state aid, but it later became state aid due to the development of market competition, and it hasn't changed."

Article 2

Title of the Chapter: "III. CONTENT OF THE BUDGET AND OF THE FINANCIAL PLAN" shall be replaced by the following: "III. CONTENT OF THE BUDGET, THE FINANCIAL PLAN, AND THE FINANCIAL REQUEST".

Article 3

Article 10 shall be replaced by the following:

"Article 10

The Budget shall consist of the general, and special part, overview of multi-annual capital investments and budget documents.

The general part of the budget shall comprise the Statement of revenues and expenditures, Statement of capital receipts and expenses and Statement of financing at the level of the overall budget.

The special part of the budget shall comprise the plan of expenditures and expenses of the budget users, shown per programme classification, or per programmes and special control positions within the programme where needed, and per economic and functional classification and classification per sources of funding, defined in Article 14 of this Law, in line with strategic planning documents, goals and tasks of budget users.

Overview of multi-annual capital investments from the public investments programme, shows the overall value of investments per years and per all sources of financing.

Budget documents consist of budget justification and relevant annexes.

Detailed structure of the general and the special part of the budget, overview of multi-annual capital investments and budget documents, shall be defined in a bylaw to be enacted by the Federation Minister of Finance."

Article 4

Article 11 shall be replaced by the following:

"Article 11

Statement of revenue and expenditure shall comprise:

1) REVENUES

- taxes,
- fees,
- charges,
- contributions,
- fines,
- other public revenues,

- transfers and
- donations.
- 2) EXPENDITURES
 - salaries and compensations of employee expenses,
 - contributions paid by the employer and other contributions,
 - expenses for materials, small inventory and services,
 - current transfers and other current expenditures,
 - capital transfers, and
 - expenses for interests.

Statement of capital receipts and expenses of the budget shall comprise:

- 1) RECEIPTS
 - receipts from sales of non-financial assets
- 2) EXPENSES
 - expenses for procurement of non-financial assets and
 - expenses for reconstruction and maintenance of non-financial assets.

Statement of financing shall comprise:

- 1) RECEIPTS
 - receipts from financial assets, and
 - receipts from borrowing
- 2) EXPENSES
 - expenses resulting from lending,
 - expenses for debt repayment, and
 - other expenses related to financial assets."

Article 5

In Article 12, paragraph 1, after the word "programmes", comma and the words: "and comprise activities and projects" shall be deleted.

Article 6

Article 13 shall be replaced with the following:

"Article 13

Financial requests of budget users for funds in the annual budget shall be classified by programmes and harmonized with strategic documents and strategic planning acts of budget users.

The programs shall state planned revenues and receipts, as well as expenditures and expenses, broken down by:

- types of revenues and receipts,
- types of expenditures and expenses by economic categories.

The information on the programmes that are submitted in financial requests shall include:

- programme title,
- code of programming classification,
- programme objective,
- programme manager,
- legal basis for the implementation of the programme,
- funds required for the implementation of the programme by economic categories,
- number of employees within the programme,
- performance indicators for the programme,
- list of priorities/measures from the Development Strategy of the Federation of Bosnia and Herzegovina and the relevant sector-based strategies to which the programme shall contribute, and

- other elements that will be defined within the by-law on the implementation of programme budgeting to be enacted by the Federation Minister of Finance."

Article 7

In Article 14, paragraph 1, after the words: "financial plan" a comma shall be added and the words "or financial request".

After paragraph 1, new paragraph 2 shall be added to read as follows:

"The budget shall be prepared, adopted and executed in all budget classifications listed under paragraph 1 of this Article."

Article 8

Title of the Chapter: "IV. DEVELOPMENT OF THE BUDGET AND FINANCIAL PLAN" shall be replaced by the following: "IV. DEVELOPMENT OF THE BUDGET, THE FINANCIAL PLAN AND THE FINANCIAL REQUEST".

Article 9

In Article 15, indents 7, 8, 9 and 10 shall be replaced with the following:

- by 31 August – budget users shall submit budget requests to the Ministry of Finance;
- by 30 September – consultations between the Ministry of Finance and budget users regarding requests of budget users and priorities of budget consumption;
- by 31 October - Ministry of Finance shall submit to the Government the draft budget for the following fiscal year;
- by 5 November, the Government shall define the Draft Budget and the Prime Minister shall submit it to the Parliament together with relevant supporting documents."

Indent 11 shall be deleted.

Article 10

Article 16 shall be replaced by the following:

"Article 16

The FBD shall be used to plan the three-year framework budget. The FBD shall contain macroeconomic projections, framework projections of budget revenues and receipts, expenditures and expenses, and defined ceilings per budget user for budget planning for the next three years, which shall be the basis for the preparation and drafting of annual budgets.

The FBD preparation process shall begin with the submission of Instruction No. 1 on the method and elements for FBD preparation to budget users, which shall, among other things, contain: the basic fiscal assumptions and guidelines for the preparation of the FBD based on guidelines for three-year work planning, and priority table forms of budget users.

The Ministry of Finance shall prepare the FBD based on the submitted priority tables of budget users, macroeconomic projections and projections of revenues and receipts, the adopted Development Strategy of the Federation of Bosnia and Herzegovina, and Guidelines of the Economic and Fiscal Policy of the Federation.

Three-year budget planning is an obligation for all budget users at the Federation, cantonal, city and municipal levels, as well as for off-budgetary funds.

The basis for the preparation of the FBD for off-budget funds shall be the Guidelines of the Economic and Fiscal Policy of the Federation."

Article 11

Article 17 shall be replaced by the following:

"Article 17

At the proposal of the Ministry of Finance, the Government shall enact the Guidelines of Economic and Fiscal Policy for a three-year period.

The Guidelines shall contain:

1. strategic objectives of the economic and fiscal policy of the Federation and harmonised priorities of expenditures and expenses, including priority structural reforms;
2. basic macroeconomic indicators of the Federation;
3. basic indicators of economic and fiscal policy of the Federation;
4. assumptions of social and economic development for the budget year and for the following two years;
5. an estimate of budget revenues and receipts, the targeted fiscal position and the harmonised level of total targeted expenditures and expenses, which maintain the previously stated priorities of expenditures and expenses;
6. envisaged changes in public debt and a public debt management strategy.

The Ministry of Finance shall be required to submit the proposed Guidelines, referred to under paragraph 1 of this Article, to the Government, no later than 15 May of the current year. The Government shall enact Guidelines by 31 May of the current year, after which the Guidelines shall be published on the Ministry of Finance website."

Article 12

Article 18 shall be replaced by the following:

"Article 18

Based on the proposed priorities of budget users for the development of the FBD, the Ministry of Finance shall prepare the FBD and submit it to the Government by 15 June.

In the event of failure to submit an overview of budget users' priorities within the time-frame set by the Budget Instruction No. 1, the Ministry of Finance shall be authorized to prepare an overview of priorities for that budget user in accordance with the submitted overview of that budget user's priorities from the previous fiscal year.

The Government shall consider and adopt the FBD by 30 June of the current year, including the FBD-defined total ceilings for expenditures by programmes, on the basis of which the total ceilings at the level of each budget user shall be defined, for three years, after which the FBD shall be submitted to the Parliament in the form of an information and published on the website of the Ministry of Finance.

If the Global Framework of Fiscal Balance and Policies in Bosnia and Herzegovina is not adopted by 15 June, the Government shall adopt the FBD in line with the budget calendar referred to under Article 15 of this Law and the FBD shall be revised if needed after the Fiscal Council of Bosnia and Herzegovina adopts the Global Framework of Fiscal Balance and Policies in Bosnia and Herzegovina."

Article 13

Article 19 shall be replaced by the following:

"Article 19

Based on the Guidelines referred to under Article 17 of this Law, the Ministry of Finance shall submit to budget users Instructions No. 2 concerning the method and elements for drafting the requests for budget funds for the next year and timeframes, by no later than 15 July of the current year.

Instructions No. 2, referred to under paragraph 1 of this Article, shall contain:

1. the basic elements contained in the Guidelines and the FBD referred to under Article 17, paragraph 2, of this Law;
2. the method of developing a financial request in the programme format with justifications;
3. time-frames for budget development;
4. expenditure ceiling for the three-year period as derived from FBD for each individual budget user."

Article 14

Article 20 shall be replaced by the following:

"Article 20

Based on Instructions No. 2 for the drafting of budget proposal, budget users shall develop the proposal of a financial request at the level of an analytic account.

Budget users shall submit their financial request to the Ministry of Finance by 31 August of the current year.

Proposed financial request for funds from the annual budget shall contain:

1. dedicated revenues and budget users' own revenues and receipts;
2. expenditures and expenses planned for the fiscal year classified by budget classifications, including programming and economic classification at the level of an analytic account;
3. planned number of positions and employee structure that the budget funds are requested for in line with guidelines, laws and bylaws;
4. proposed plan of procurement of permanent resources;
5. justification of the financial request;
6. plan of multi-annual capital investments per sources of funding;
7. legislation allowing for its implementation;
8. statement on fiscal responsibility referred to under Article 44 of this Law.

For multi-annual capital investments from public investment programme, the user's request shall contain the total investment value and updated implementation dynamics by all sources of financing for all years of implementation during the investment period.

In the event that budget users fail to submit a proposal of a financial request at the level of an analytic account within the deadline specified in Budget Instruction No. 2, the Ministry of Finance shall be authorized to prepare a financial request for that budget user, in accordance with the submitted proposal of a financial request at the level of an analytic account from the previous fiscal year."

Article 15

In Article 21, paragraph 1, the word "plan" shall be replaced by the word "request".

Article 16

In Article 23, paragraph 2, the words "financial plan" shall be replaced by the words: "financial request".

Article 17

In Article 24, paragraph 1 shall be replaced by the following:

"Federal Minister of Finance shall stipulate by way of a rulebook the types of own public revenues, methods, deadlines and conditions of distribution, as well as the criteria to define own public revenues."

After paragraph 3, new paragraph 4 shall be added to read as follows:

"For multi-annual capital investments, the capital expenditures shall be considered future charges on budget items according to the investment dynamics as established in the overview of multi-annual capital investments. Budget users may create obligations for adopted multi-annual capital investments in accordance with the established time dynamics. The part of multi-annual capital investments that relates to the fiscal year for which the budget is being prepared shall be included in the budget in accordance with the stipulated budget classifications."

Article 18

In Article 25, paragraph 2, the words: "by 15 October" shall be replaced with the words: "by 31 October".

Article 19

Section title: "4. Budget content" shall be replaced by the following: "4. Content of the budget, of the Law on budget execution, and of budget documents to be submitted to the Government and the Parliament".

Article 20

Article 26 shall be replaced by the following:

"Article 26

The Budget shall contain:

1. a detailed presentation of all public revenues and receipts of the budget as defined in Articles 10 and 11 of this Law;
2. expenditures and expenses of each budget user, presented by programmes, including the programme's contribution to measures or priorities from the Development Strategy of the Federation of Bosnia and Herzegovina, by subcategories and main groups of economic classification, by functional classification and by sources of financing;
3. a proposal for the allocation of the budget surplus, or sources for financing the budget deficit.

The budget shall contain an annual overview of planned expenses by item for investment programmes lasting longer than one fiscal year.

The Law on Budget Execution shall determine the maximum amount of short-term borrowing that will enable the Ministry of Finance to cover expenditures and manage cash efficiently.

The draft budget shall determine the amount of the current reserve, which shall not exceed 3% of budget revenues excluding dedicated revenues, own revenues and receipts.

The budget documentation shall include an explanation containing:

1. macroeconomic indicators;
2. explanation of revenues, receipts, expenditures and expenses;
3. data on current and long-term liabilities arising from the external and internal debt of the Federation (repayment of the principal, payment of interests and other liabilities arising from debt),

with an analysis of debt sustainability;

4. data on capital expenditures;
5. data on guarantees;
6. key information on objectives and performance indicators for each programme."

Article 21

In Article 27, paragraph 3, the words: "paragraph 3" shall be replaced with the words: "paragraph 2".

Article 22

In Article 29, after paragraph 3, new paragraph 4 shall be added to read as follows:

"The FBiH Public Investment Programme shall adopt multi-annual capital investments that are partly or fully financed from the Federation budget and are planned in the FBD, or the annual budget of the Federation."

Previous paragraphs 4 to 6 shall become paragraphs 5 to 7.

Article 23

In Article 30, paragraph 1, indents 2, 3, 4, 6, 7 and 8 shall be replaced by the following:

- "- by 31 March - competent Ministries shall submit completed IP forms to the Ministry of Finance;
- by 30 May – the Ministry of Finance shall prepare the Draft programme of public investments of FBiH and submit it to the Government;
- by 15 June – the Government shall adopt the Draft programme of public investments of FBiH;
- by 15 September - competent Ministries shall submit revised IP forms to the Ministry of Finance;
- by 10 October - Ministry of Finance shall submit to the Government a Proposed programme of public investment of FBiH;
- by 25 October - the Government shall enact the Programme of Public Investments of FBiH."

Article 24

In Article 35, after paragraph 5, new paragraph 6 shall be added to read as follows:

"The continuation of multi-annual capital investments, i.e. the continuation of disbursements for these purposes, shall be permitted in accordance with the terms of interim financing, provided that multi-annual financing or authorization for future obligations has been approved in previous budgets."

Previous paragraphs 6 to 10 shall become paragraphs 7 to 11.

Article 25

In Article 41, paragraph 1, indent 3 shall be replaced by the following:

- "- defining macroeconomic projections and projections of total public revenues in the Federation,".

Article 26

After Article 46, new Article 46a. is added to read as follows:

"Article 46a.

"The allocation of funds from the budget in the form of subsidies (grants) and other types of public expenditures, as well as reduction in budget revenues in the form of debt write-offs or debt assumption, granting of loans, credits with preferential interest rates and other types of assistance that place a business entity in a more favourable position in terms of market competition compared to other entities on the market, shall be carried out in accordance with the Law on the State Aid System in Bosnia and Herzegovina and the by-laws adopted on the basis thereof."

Article 27

In Article 47, paragraph 1 shall be replaced by the following:

"Dedicated revenues shall mean public revenues that have been defined in accordance with special laws and whose use and purpose have been defined by those laws, as well as donations, revenues from the sale or exchange of property owned by the Federation and dedicated receipts from borrowing, issuance of securities and sale of bonds and shares."

Article 28

In Article 49, paragraph 2, shall be replaced by the following:

"Paid and/or transferred aid, donations, own revenues, dedicated revenues, transfers for special purposes between users of public funds, as well as credit funds transferred to the Single Treasury Account may be executed up to the amount of paid or transferred funds, based on decisions of the Government, and at the proposal of a budget user."

Article 29

In Article 58, paragraph 3 shall be replaced by the following:

"Appropriations may be transferred to the next fiscal year in order to finance multi-annual capital investments from the adopted public investment programmes, which are shown in the overview table of multi-annual capital investments. The said appropriations may be transferred provided that the implementation of investments funded from the Federation budget continues, based on the budget user's request, which is submitted to the Ministry of Finance after the end of a fiscal year. Together with the request for transfer of unused funds for multi-annual capital investments, a detailed justification of the implementation of investment programmes shall be submitted, as well as reasons and documents for possible delays in their implementation."

After paragraph 3, new paragraphs 4 and 5 shall be added to read as follows:

"At the proposal of the Ministry of Finance, the Government shall adopt the Decision on the transfer of unspent funds for multi-annual capital investments collectively for all capital investments by 15 March. Based on the said Decision, the Ministry of Finance shall, through the operating budget, make unspent amounts of funds for multi-annual capital investments available to budget users.

Unused funds for multi-annual capital investments may be redirected for financing of multi-annual capital investments in the next fiscal year, provided that the budget users referred to under paragraph 3 of this Article have provided an explanation."

Article 30

In Article 86, paragraph 1, shall be replaced by the following:

"Budget users shall be required to set up the internal control system in line with the Law on financial management and control and Standards of internal control in the public sector in the

Federation, regulating the area of financial management and control, in order to ensure that the activities that are part of the basic business activity are performed."

Paragraph 2 shall be deleted.

Previous paragraph 3 shall become paragraph 2.

Article 31

In Article 97, point 6, at the end of the sentence, the word "and" shall be replaced by a comma.

In point 7, at the end of the sentence, the full stop shall be replaced by a comma and new point 8 shall be added to read as follows:

"8. Information on programme effects."

Article 32

In Article 102, point 2, after the words: "financial plan" a comma shall be added as well as the words: "or financial request".

In point 4, the words: "by 15 August" shall be replaced with the words: "by 31 August".

In point 8, the word "international" shall be deleted.

After point 11, new points 12, 13 and 14 shall be added to read as follows:

"12. fails to submit a report on dedicated consumption of funds, within the given deadline,

13. disposes of funds in a non-dedicated manner,

14. fails to return the funds to the budget when such return has been stipulated."

Article 33

After Article 106, new Articles 106a. and 106b. shall be added to read:

"Article 106a.

The implementation of programme-based budgeting shall be carried out by gradually introducing the programme-based budget format, starting with the budget cycle for 2025 for the Federation level and off-budget funds at the Federation level, and for 2027 for the cantonal level and off-budget funds at the cantonal level.

Implementation of programme-based budgeting shall not apply to cities and municipalities.

Article 106b.

The provisions of this Law, which pertain to multi-annual capital investments, shall apply starting with the 2023 budget cycle for the Federation level and off-budget funds at the Federation level and for the cantonal level and off-budget funds at the cantonal level.

The provisions of this Law, which pertain to multi-annual capital investments shall not apply to cities and municipalities."

Article 34

The Legislative and Legal Committee of the House of Representatives of the Parliament of the Federation of Bosnia and Herzegovina and the Legislative and Legal Committee of the House of Peoples of the Parliament of the Federation of Bosnia and Herzegovina are hereby authorized to define a consolidated text of the Law on Budgets in the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of BiH, 102/13, 9/14, 13/14, 8/15, 91/15, 102/15, 104/16, 5/18, 11/19 and 99/19).

Article 35

This Law shall enter into force on the next day following the day of its publication in the Official Gazette of the Federation of BiH.

Speaker of the House of Representatives
of the Parliament of the Federation of BiH

Mirsad Zaimović, *m. p.*

Speaker of the House of Peoples
of the Parliament of the Federation of BiH

Tomislav Martinović, *m. p.*