

Pursuant to Article 5, Paragraph 1, Item b, Article 20, Paragraph 2, Item b and Article 37 of the Law on the Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska” No. 59/13 and 4/17), Article 6, Paragraph 1, Item b and Article 19, Paragraph 1, Item b of the Statute of the Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska” No. 63/17), the Management Board of the Banking Agency of Republika Srpska, at the 48th session, held on 15 November 2022, adopted the

**DECISION ON AMENDMENTS
TO THE
DECISION ON
REQUIREMENTS AND PROCEDURE FOR THE ISSUANCE OF OPERATING LICENSE TO
MICROCREDIT ORGANIZATIONS, ORGANIZATIONAL UNITS OF MICROCREDIT
ORGANIZATIONS FROM THE FEDERATION OF BIH, DISTRICT BRCKO, AND FOREIGN
MICROCREDIT ORGANIZATIONS IN REPUBLIKA SRPSKA**

Article 1

In the Decision on requirements and procedure for the issuance of operating license to microcredit organizations, organizational units of microcredit organizations from the Federation of BiH, District Brcko, and foreign microcredit organizations (“Official Gazette of Republika Srpska” No. 03/07 and 104/15), after Article 1, Article 1a shall be added and read as follows:

„By means of this Decision, the Agency shall define the criteria in the procedure for issuing other consents: consent for the founding of organizational units in Republika Srpska and outside the territory of Republika Srpska, consent for changing the address/headquarters of the microcredit organization and its organizational units, consent for the appointment of an external auditor for the audit of annual financial statements and others consent”.

Article 2

In Article 3, Paragraph 1, Item 2, after the wording “founders”, the wording “or the decision on the founding of a microcredit organization signed by the founder” shall be added.

In Article 3, Paragraph 1, Item 3, the wording “draft” shall be deleted, and after the wording “statute”, the wording “ signed by all founders” shall be added.

In Article 3, Paragraph 2, Sub-items 3 and 4 shall be added and read as follows:

„3. for founders – legal entities:

- statute(s) for the legal entity which is the founder;
- extract from the Central Registry of Securities;
- copy of identification card/passport for shareholders having more than 20% of ownership in the legal entity which is the founder;
- copy of identification card/passport of the director of the legal entity which is the founder;
- statements of an external auditor on audit of financial statements for the legal entity which is the founder, for the last three years;
- current extract from the court registry for the legal entity;
- confirmation on registration of ID No. for the legal entity which is the founder;
- Decision on license issued by the Insurance Agency of Republika Srpska (if the legal entity is an insurance company).

4. for founders – private individuals:

- copy of identification card/passport;
- certificate of residence;
- certificate of citizenship;
- statement signed by the founder in accordance with Article 27 of the Law on microcredit organizations;

- proof of the origin of the founder's funds injected into the microcredit organization, signed and certified by the competent authority;
- assurance that the person has not been convicted;
- confirmation that no criminal proceedings are being conducted against the person;
- tax certificate of paid tax.“

Article 3

In Article 4, Paragraph 1 shall be amended and read as follows:

„In accordance with Article 3, Paragraph 1, Item 2 of this Decision, the microcredit organization shall submit to the Agency the contract on founding or the decision on the founding of the microcredit organization”.

In Article 4, Paragraph 2, after the wording “founding”, the wording “the decision on the founding” shall be added.

In Article 4, Paragraph 3 shall be amended and read as follows:

„The contract on the founding of a microcredit organization must be signed by all founders or their proxies, as well as the decision on the founding of a microcredit organization, and the signatures must be certified in accordance with the law“.

In Article 4, Paragraph 4, after the wording “contract”, the wording “i.e. adopted decision” shall be added.

In Article 4, after Paragraph 4, Paragraph 5 shall be added and read as follows:

„A microcredit organization shall be obliged, after obtaining an operating license, to submit to the Agency a request for issuance of consent to the founding contract, i.e. the founding decision, in accordance with the Decision on the conditions and procedure for issuing consent to the articles of incorporation of microcredit organizations“.

Article 4

In Article 5, Paragraph 1 shall be amended and read as follows:

„In accordance with Article 3, Paragraph 1, Item 2 of this Decision, a microcredit organization shall submit to the Agency the statute of the microcredit organization“.

In Article 5, Paragraph 2, the wording “draft” shall be deleted.

In Article 5, after Paragraph 2, Paragraph 3 shall be added and read as follows:

„A microcredit organization shall be obliged, after obtaining an operating license, to submit to the Agency a request for issuance of consent to the statute, in accordance with the Decision on the conditions and procedure for issuing consent to the articles of incorporation of microcredit organizations“.

Article 5

Article 6 shall be deleted, and other articles shall be moved.

Article 6

In Article 8, after the wording “capital”, the wording “and proof that the funds are deposited in a bank” shall be added”.

Article 7

In Article 10, Paragraph 1, after the wording “organizational”, the wording “units in Republika Srpska as well as” shall be added”.

In Article 10, Paragraph 1, after the wording “operations”, the wording “in Republika Srpska as well as” shall be added”.

Article 8

After Article 10, a new Article 10a shall be added and read as follows:

„A microcredit organization based in Republika Srpska may found organizational units on the territory of Republika Srpska.

For the founding of an organizational unit entered in the register, the microcredit organization shall submit a request and attach the following documentation to it:

1. the decision of the competent management body on the founding of a unit of a microcredit organization in Republika Srpska, with an indication of the operations that unit will perform;
2. the decision of the competent body on the appointment of the head of the organizational unit, with an indication of his/her powers, and evidence of his/her education, citizenship and work experience;
3. a proof that business premises have been provided (proof of ownership or lease contract for a definite period, with proof that the lessor is the owner of the business premises);
4. the decision of the competent administrative authority that the business premises are suitable for their purpose;
5. a certified statement of the microcredit organization for the acceptance of obligations and responsibilities for all obligations that will arise in the business operations of its newly founded organizational unit”.

Article 9

Article 11 shall be amended and read as follows:

„A microcredit organization based in Republika Srpska that has founded organizational units outside the territory of Republika Srpska shall be obliged to address the regulatory institution of the Federation of Bosnia and Herzegovina, Brčko District, i.e. the country in which it shall found the organizational unit, with the obligation to apply their regulations“.

Article 10

Article 12 shall be amended and read as follows:

„A microcredit organization based in Republika Srpska that has founded organizational units outside the territory of Republika Srpska, after receiving an act from the relevant institution, on registration in the records of the Federation of Bosnia and Herzegovina, the Brčko District or the country where it operates, must submit a certified photocopy of the registration to the Banking Agency within eight days from the date of registration“.

Article 11

After Article 16, new Articles 16a and 16b shall be added and read as follows:

„16a

A microcredit organization shall be obliged to submit to the Banking Agency of Republika Srpska a request for issuance of a permit for a change of seat/address, as well as for a change of seat/address of organizational units of a microcredit organization.

The microcredit organization shall attach documentation to the request from Paragraph 1 of this Article as follows:

- decision by the microcredit organization competent body on the change of seat address;
- lease contract on business premises;
- proof of ownership over business premises for new location;
- statement by the director of microcredit organization/organizational unit for the acceptance of obligations and responsibilities for all obligations that will arise in the business operations of microcredit organization/organizational unit at the new seat address;
- decision of the Ministry of Labor and Veterans' and Disability Protection of Republika Srpska on determining the fulfillment of the conditions in the field of occupational health and safety for the new seat address.

16b.

The microcredit organization, with the prior consent of the Agency, no later than September 30 of the current year, shall appoint an external auditor which will audit the financial statements.

The microcredit organization shall be obliged to submit to the Agency the request for the issuance of the prior consent from Paragraph 1 of this Article, no later than one month before concluding the contract with the external auditor.

The microcredit organization with the request from Paragraph 1 of this Article shall submit to the Agency as well:

- decision by the competent body on selection/appointment of an external auditor;
- decision of the competent body on issuing an operating license, i.e. license for an external auditor to perform audit;
- decision of the competent body on the registration of the external auditor in the Register of audit companies;
- current extract from the court register of the competent registry court for the external auditor;
- licenses for certified auditors issued by the competent authority;
- draft act on the performance of external audit;
- annual report on transparency for the past year for the external auditor (from Article 45 of the Law on accounting and auditing of Republika Srpska);
- analysis of the fulfillment of conditions and criteria for the appointment of an external auditor, prepared by the Audit Committee;
- statement of the external auditor that there are no restrictions for the audit: that there is no conflict of interest, that the person is not related to the microcredit organization, that the person is not in a special relation with the microcredit organization, that there is no doubt about independence and impartiality, that the audit report of financial statements prepared by the external auditor for the previous year, the Agency did not reject;
- statements of the external auditor that the conditions stipulated by Article 40 of the Law on accounting and auditing of Republika Srpska have been met;
- statement of the external auditor that it has certified auditors with a valid license in accordance with Article 31 of the Law on accounting and auditing of Republika Srpska employed for an indefinite full-time;
- statement by the external auditor that at least three members of the team of auditors performing the audit have at least three years of experience in auditing financial statements;
- references of the external auditor on performed audits of financial statements”.

The microcredit organization shall be obliged to submit to the Agency the conclusion of the contract/act of agreement with the external auditor within 8 days from the date of its conclusion.

Article 12

In Article 18, Paragraph 1 shall be amended and read as follows:

„The microcredit organization shall decide on the applicant's request from Article 3 of this Decision with a decision that it will issue within 60 days from the day of submitting the request with complete documentation, and on the request from Art. 10., 10a., 16a. and 16b, the Agency shall make a decision within 30 days from the date of submission of the request with duly submitted documentation”.

In Article 18, Paragraph 2, after the wording “conclusion”, the wording “or decision” shall be added.

Article 13

In Article 19, after Paragraph 2, Paragraph 3 shall be added and read as follows:

„The Agency reserves the right, in addition to the documentation stipulated by this Decision, to request the microcredit organization to submit additional documentation that the Agency deems as necessary for the processing the request for consent issuance”.

Article 14

This Decision shall come into force on the eighth day after its publication in the Official Gazette of Republika Srpska.

Number: UO-380/22

Date: 15 November, 2022

**PRESIDENT OF THE
MANAGEMENT BOARD**
Bratoljub Radulović