

On the basis of Articles 17, 21, 22, and 53 of the Law on Microcredit Organizations of Republika Srpska (“Official Gazette of Republika Srpska”, no.64/06) and Article 4, Paragraph 4, and Articles 10, 25, and 26 of the Law on the Banking Agency of Republika Srpska – Revised Text (“Official Gazette of Republika Srpska”, no. 67/07), and Article 15 of the By-Laws of the Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska”, no. 67/04) on its session held on May 25, 2010 the Managing Board of the Banking Agency of Republika Srpska
d e c l a r e d

DECISION
ON MORE DETAILED CONDITIONS AND METHOD
OF ACTING OF MICROCREDIT ORGANIZATION
UPON CLIENT’S COMPLAINT

Article 1

- (1) In order to protect rights and interests of clients of microcredit organizations (hereinafter: MCOs) this Decision prescribes more detailed conditions and method of acting of MCO upon client’s complaints, i.e. when a client is of an opinion that MCO does not comply with provisions of a contract concluded, good business practice, and/or general conditions of MCO operation as disclosed to public, as well as acting of Banking Agency of Republika Srpska (hereinafter: the Agency) in protecting those rights and interests.
- (2) For the purpose of this Decision, “client” is any person having a business relationship with MCO.

Article 2

Clients shall submit complaints in words or in writing.

Article 3

- (1) If a client complains verbally and finds MCO’s answer unsatisfactory, the MCO is obligated to instruct him on his right to complain in writing.
- (2) Client’s complaint in writing shall include the basic data on the client, as well as the description of the dispute between the client and the MCO, which, in the client’s opinion, resulted from MCO’s non complying with provisions of their contract concluded, good business practice, and/or general conditions of MCO operation as disclosed to public (hereinafter: dispute).
- (3) General conditions of operation are standard terms of MCO’s operation as applied to clients and included in written policies or other enactments of MCO.
- (4) MCO shall enable client to learn about general conditions of its operation making available, upon client’s request, written information on those general conditions of the MCO’s operation, which are related to the client’s request, and provide for adequate explanations and instructions relevant for implementing such terms.

Article 4

- (1) MCO is obligated to develop written policy stipulating MCO's procedure in processing the client's complaint, and, for that purpose, at least one employee in charge shall be appointed for carrying out the procedure.
- (2) In the course of the procedure from Paragraph 1 of this Article MCO shall examine statements from the complaint, and provide the client with its reply not later than 30 days after the date of complaint (hereinafter: the MCO's reply).
- (3) The MCO's reply shall be in writing, comprehensive and understandable to the client, including description of the subject dispute, assessment of the complaint as being well-founded, possible reasons causing the dispute, and, obligatory, legal advice.
- (4) If the MCO finds the client's complaint well-founded, the MCO's reply shall also include a proposal how to resolve the dispute, as well as the deadline within which the client shall inform the MCO whether he accepts such a proposal. The deadline shall not be shorter than 15 days or longer than 30 days after the date of receipt of MCO's reply.
- (5) The MCO shall deliver its reply to the client in a manner providing that such a delivery is confirmed by the client.

Article 5

Once the client accepts the MCO's proposal for solution of the dispute, the MCO's acting upon the client's complaint shall be considered as completed.

Article 6

- (1) In case the MCO fails to deliver its reply to the client by the deadline from Article 4, Paragraph 2 of this Decision, or the MCO considers the client's complaint unsubstantiated, or the client refuses to accept the MCO's proposal for solution of the dispute – the client may submit to the Agency written information on being unsatisfied with the result of processing his/her complaint.
- (2) The information from Paragraph 1 of this Article shall include a brief description of the subject dispute, place and time of its occurrence, as well as the MCO's reply.

Article 7

- (1) Upon receipt of the information from Article 6 of this Decision, the Agency may, after finding the complaint well-founded, request the MCO to present a written statement related to the client's information within a period of eight days.
- (2) The Agency shall send to the client a written notice on the MCO's statement with information on mechanism for protection of his/her rights within a period of fifteen days after the receipt of such a statement.

Article 8

MCO shall keep records on all clients' written complaints, including data on disputes resolved, as well as other data required for preparation of the report from Article 9 of this Decision.

Article 9

- (1) MCO shall prepare quarterly reports including data on the total number of written complaints, on the number of complaints by physical i.e. legal persons, types of grounds for complaints, total number of complaints resolved, i.e. the number of positively resolved (well-founded complaints) and the number of complaints negatively resolved (unsubstantiated complaints). A separate part of the report shall contain written complaints by loan guarantors.
- (2) Quarterly reports from Paragraph 1 of this Article shall be submitted to the Agency by MCO on a form prescribed by the Agency, within 30 calendar days after the last day of the reporting quarter.
- (3) MCO's reports shall be signed by two persons authorized and responsible for representing the MCO.
- (4) Obligatory constituent parts of such reports shall be as follows: a) evidence that it has been approved by managing board, and b) names of contact persons and numbers of contact phones.

Article 10

This Decision shall come into force on the following day after its being published by the "Official Gazette of Republika Srpska".

UO number: 166/10
May 25, 2010
Banja Luka

PRESIDENT
OF THE MANAGING BOARD
Mirjana Jacimovic