

Pursuant to Article 70 of the Law on Leasing (“Official Gazette of Republika Srpska” number 70/07), Article 4, paragraph 4, Article 10, paragraph 2, item b and Article 25 of the Law on Banking Agency of Republika Srpska – Revised text (“Official Gazette of Republika Srpska” number 67/07) and Article 15, paragraph 1, indent 11 of the Statute of the Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska” number 67/04), on its session held on November 7, 2007, the Management Board of the Banking Agency of Republika Srpska issued the

DECISION

ON IMPLEMENTING THE PROVISIONS OF THE LAW ON LEASING RELATED TO THE ISSUANCE OF LICENSES AND APPROVALS BY THE BANKING AGENCY OF REPUBLIKA SRPSKA

Article 1

This Decision sets out in detail the terms and conditions of implementing the Law on Leasing (hereinafter: Law), based on which the Banking Agency of Republika Srpska (hereinafter: Agency) issues licenses and approvals for performing leasing operations.

Article 2

The founders of a company (hereinafter: Founders) submit the request for the issuance of license for performing leasing operations to the Agency.

Along with the request referred to in paragraph 1 of this Article, the founders also submit:

1. list of founders,
 2. company founding act,
 3. company business plan for the first three business years,
 4. proof of personnel, technical and organizational capacity to perform leasing operations,
 5. proof of deposited cash portion of core capital from Article 14 of the Law on the interim bank account.
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1. List of founders shall include the names of founders together with identification data (personal identification number and address), as well as their contribution in the core capital.
 2. Company founding act shall be composed in accordance with the Law regulating business companies.
 3. Business plan for the first three business years shall include the projection of balance sheet and income statement. The plan shall also include the planned fund sources, borrowing schedule and the plan of expanding business activities.
 4. Proof of personnel and organizational capacity to perform leasing operations shall be a founding act on specified organizational structure of a company with qualification structure of employees and necessary work experience for each job position.

Proof of technical capacity to perform leasing operations shall be:

- documentation proving the manner in which office space is provided, proved by the property contract, contract on assignment or lease contract, i.e. other document;
 - official document from a competent municipality authority stating that the office space is adequate for performing leasing operations;
 - specification of computer equipment, as well as other equipment appropriate to the planned number of employees and planned volume of company operations.
5. As a proof that the cash portion of core capital from Article 14 of the Law is deposited on the interim bank account, the founders communicate a certified written statement that they dispose of own cash funds in the amount no less than KM 250,000, as well as that the same shall be transferred onto the interim bank account, i.e. onto a separate account at the Central Bank of Bosnia and Herzegovina, if a founder is a foreign entity. Along with such statement, the founders shall submit the proof of origin of such funds.

The Agency shall, prior to the issuance of license for performing leasing operations, notify the founders to transfer cash funds onto the interim bank account or onto a separate account at the Central Bank of Bosnia and Herzegovina and submit the proof of the former.

Article 3

A leasing provider registered to perform leasing operations in the Federation of BiH, i.e. Brcko District, along with the request for license to perform leasing operations through a business unit founded in Republika Srpska, shall submit the documentation from Article 17, paragraph 2 of the Law.

The provisions of Article 2, item 4 of this Decision related to the proofs of personnel, technical and organizational capacity shall also refer to the business units from paragraph 1 of this Article.

Article 4

The Agency shall issue the license for performing leasing operations to the request applicants from Article 2 and 3 of this Decision within 60 days from the date of completion of required documentation in accordance with Article 18 of the Law.

The Agency shall deny the submitted requests for license issuance in the cases specified under Article 19 of the Law.

Article 5

A leasing provider shall obtain prior approval from the Agency for the appointment of independent auditor who shall conduct the audit of annual financial reports and compose the audit report in accordance with the provisions governing the area of accounting and auditing.

Along with the request for obtaining prior approval, a leasing provider shall also submit:

- draft of act by means of which the audit report compilation is contracted, in the form of draft contract or letter of intent;
- extract from the registry of the Ministry of Finance of Republika Srpska, audit companies.

Decision on the request for prior approval for the appointment of independent external auditor, the Agency shall issue within 30 days from the date of the request admission together with complete documentation.

Article 6

This Decision shall come into force on the eight day from the date of its publication in the “Official Gazette of Republika Srpska”.

UO number: 20/07
November 7, 2007
Banja Luka

PRESIDENT OF THE
MANAGEMENT BOARD
Mirjana Jaćimović