

On the basis of Article 53 of the Law on Microcredit Organizations of Republika Srpska (“Official Gazette of Republika Srpska”, No. 64/06) and Article 10, Paragraph 2, Point b of the Law on the Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska”, No. 10/98, 16/00, 18/01, 71/02, 18/03, 39/03, and 123/06), and Article 15, Paragraph 1, Line 11 of the Statute of the Banking Agency of Republika Srpska (“Official Gazette of Republika Srpska”, No. 67/04) on its session held on December 29, 2006 the Managing Board of the Banking Agency of Republika Srpska d e c l a r e d

D E C I S I O N

ON PROCEDURE FOR REVOKING THE OPERATING LICENSE OF MICROCREDIT ORGANIZATION

Article 1

Banking Agency of Republika Srpska (hereinafter: the Agency) may revoke the operating license of a microcredit organization (hereinafter: MCO) in cases when the MCO acts as follows:

1. MCO does not apply for registration in the court registry within the given period of 30 days after the MCO was granted the operating license;
2. In the period of four months after registration in the court registry the MCO does not start its operation of extending microcredit or such operation has not been performed for longer than a period of six months;
3. MCO has obtained the license based on false statements and data given, which have made the Agency to misapprehend the condition of the MCO;
4. MCO ceases to comply with requirements for license eligibility;
5. MCO does not maintain core capital, i.e. deposit and provisioning at the minimum amount prescribed by the Law on Microcredit Organizations and the Agency’s regulation;
6. MCO engages in business activities not prescribed by the law and legal enactments of the Agency;
7. Within the deadline provided by the Agency’s enactment MCO fails to act in accordance with the order for removal of illegalities, i.e. irregularities found;
8. MCO fails to meet requirements for operation, and it extends microcredit in a manner contrary to the provisions of the law and the Agency’s enactments;
9. Conditions for revoking the operating license of MCO were created based on a valid court decision;
10. An MCO’s body in charge reaches decision on liquidation or decision on merger, acquisition, separation or dividing the MCO.

Article 2

The Agency shall revoke the operating license of an MCO by means of a decision on revoking the operating license.

The decision from the Paragraph 1 of this Article shall define the date when the Agency actually revokes the license.

Article 3

The Agency shall issue the decision on revoking the operating license no later than 60 days after the receipt of documentation or other evidence, i.e. within a period of 60 days after it learns about facts and circumstances due to which the license is to be revoked.

Article 4

A complaint against the Agency's decision on revoking the operating license can be submitted to the Agency's Managing Board no later than eight days after the decision was delivered.

Article 5

The decision on revoking the operating license of an MCO shall be published in the "Official Gazette of Republika Srpska", as well as in a local daily newspaper available also in the Federation of Bosnia and Herzegovina and District Brcko.

Article 6

As of the date of the decision on revoking the operating license from Article 2 of this Decision, the MCO is forbidden to engage in the operation of extending microcredit provided by the Law on Microcredit Organization.

Article 7

As of the date of legal validity of the decision on revoking the operating license of a microcredit association, the Agency submits to the authorized court a request for passing a decision on the cessation of work and deletion of the microcredit association from the court registry, i.e. to the authority in charge for the deletion of microcredit foundations from the registry of such foundations.

Article 8

This Decision shall come into force on the eighth day after it has been published in the “Official Gazette of Republika Srpska”.

No. UO-301/06
December 29, 2006
Banja Luka

PRESIDENT OF THE
MANAGING BOARD
Ph. D. Novo Plakalovic