

Pursuant to Article 6a of the Law on Leasing (“Official Gazette of Republika Srpska” number 70/07 and 116/11), 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 40/11) 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 February 14, 2012, the Management Board of the Banking Agency of Republika Srpska issued the

**DECISION**  
**ON UNIFORM METHOD OF CALCULATING AND DISCLOSING THE EFFECTIVE**  
**LEASE FEE RATE UNDER FINANCIAL LEASING CONTRACT**

**Article 1**

This Decision sets out a uniform method of calculating and disclosing the effective lease fee rate under financial leasing contract (hereinafter: contract).

**Article 2**

In terms of this Decision, the effective lease fee rate shall mean a decursive interest rate calculated on an annual level by applying the compound interest account, in a way that the discounted cash inflows are balanced with the discounted cash outflows negotiated between a leasing provider and receiver.

**Article 3**

While discounting, i.e. reducing to the current value all future inflows and outflows of cash funds based on a contract, the calendar number of days in a month shall be applied, and 365/366 days in a year. The effective lease fee rate shall be disclosed in percentages with two decimals and the rounding of the second decimal, and shall be applicable on the day of calculation.

The effective lease fee rate shall be disclosed using the term “effective lease fee rate” or using the acronym “ELR”.

**Article 4**

The calculation of lease fee and other costs arising from a contract (hereinafter: calculation) is an integral part of the contract and contains the following elements:

- gross acquisition value of a leasing subject  
(acquisition value plus tax);
- amount of share  
(amount out of gross value of a leasing subject which a leasing receiver pays to a leasing provider in accordance with a contract);
- amount of net financing  
(gross acquisition value of a leasing subject minus the amount of share);

- amount of residual value of a leasing subject  
(part of net financing which a leasing receiver pays at once after the expiry of a negotiated period if the repurchase right/option right is negotiated, and if the receiver repurchases it);
- amount to be amortized through the lease fee installments  
(amount of net financing minus the amount of residual value of a leasing subject);
- total interest and nominal interest rate  
(total amount of interest rates paid through the lease fee installments);
- total amount of the lease fee installments  
(sum of lease fee installments which a leasing receiver pays in a negotiated period);
- number and amount of the lease fee installments  
(negotiated number of installments and amount of installment);
- review of other costs arising from a contract conclusion  
(costs of request processing, entry of a contract into a court registry, fee for repurchase option, tax and other costs arising from the realization of financial leasing, amount of insurance premium if the insurance is a condition for leasing usage, costs of documentation certification);
- effective lease fee rate.

When in accordance with a contract, the content of certain calculation elements stated in paragraph 1 of this item is changed, a leasing provider shall compose a new final calculation and present it to a leasing receiver.

Prior to contract conclusion, a leasing provider shall present a final calculation to a leasing receiver.

#### **Article 5**

Effective lease fee rate shall be disclosed by a leasing provider in a clear and visible manner in its premises, advertisements and in the means of public communication, provided that the effective lease fee rate is no less visible than other data. While disclosing the effective lease fee rate, a leasing provider shall use the term “effective lease fee rate”, while in repeating such term the acronym “ELR” may be used.

#### **Article 6**

Prior to contract conclusion, a leasing provider shall make a leasing receiver aware of the effective lease fee rate and make available all relevant terms and elements of the contract out of which the rights and obligations of the contractual parties are clearly evident.

#### **Article 7**

While concluding a contract, a leasing provider shall provide a leasing receiver with one copy of the repayment schedule which is deemed as an integral part of the contract, with a clearly disclosed effective lease fee rate, while the other copy shall be kept in its file.

The contract shall contain a relevant provision from which it shall be clear that a leasing receiver is familiar with the contract terms and the effective lease fee rate, and that a leasing receiver has received the repayment schedule.

#### **Article 8**

In case of the changes of elements based on which the effective lease fee rate is calculated, and which are negotiated as variable, a leasing provider shall provide a leasing receiver with the altered repayment schedule.

#### **Article 9**

Methodology for calculating the effective lease fee rate and the minimum content of the repayment schedule are prescribed with the Instruction for application of the Decision on uniform method of calculating and disclosing the effective lease fee rate under financial leasing contract.

#### **Article 10**

This Decision shall be applied on the leasing provider business units operating on the territory of Republika Srpska and having head offices in the Federation of Bosnia and Herzegovina or Brcko District.

#### **Article 11**

A leasing provider is obliged to submit to the Banking Agency of Republika Srpska the reports on weighted nominal interest rates and effective lease fee rates in the prescribed forms and within the prescribed deadline.

#### **Article 12**

The entry into force of this Decision shall make the Decision on uniform method of calculation and disclosure of effective lease fee rate under financial leasing contract (“Official Gazette of Republika Srpska” number 100/07, 82/09 and 97/09) null and void.

#### **Article 13**

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

UO no.: 274/12  
February 14, 2012  
Banja Luka

PRESIDENT OF THE  
MANAGEMENT BOARD  
Mirjana Jaćimović