

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), Article 11 and 19, Paragraph 1, Item b) of the Statute of the Banking Agency of Republika Srpska ("Official Gazette of Republika Srpska" No.: 63/17) and Articles 38, 42 and 43 of the Law on electronic money ("Official Gazette of Republika Srpska", No.: 01/24), the Management Board of the Banking Agency of Republika Srpska, at the 11th session, held on 29 October 2024 adopted the

DECISION

on the conditions and procedure for issuing consent for the establishment of a business unit in Republika Srpska and outside Republika Srpska to an electronic money institution with headquarters in Republika Srpska and for the establishment of a business unit in Republika Srpska to an electronic money institution with headquarters in the Federation of Bosnia and Herzegovina or the Brčko District of Bosnia and Herzegovina

General provisions

Article 1

- (1) This Decision shall stipulate the conditions and procedure for issuing a consent by the Banking Agency of Republika Srpska (hereinafter: the Agency) for the establishment of a business unit in Republika Srpska and outside Republika Srpska to an electronic money institution (hereinafter: the Institution), with headquarters in Republika Srpska, and for issuing a consent for the establishment of a business unit in Republika Srpska to an Institution with headquarters in the Federation of Bosnia and Herzegovina or the Brčko District of Bosnia and Herzegovina.
- (2) A business unit, in the sense of this Decision, is a separate organizational unit of the Institution that does not have the status of a legal entity, and through which the Institution issues electronic money, in accordance with the Law on electronic money (hereinafter: the Law).
- (3) Before establishing a business unit, the Institution shall be obliged to address the Agency with a request for obtaining the consent, along with which it shall be obliged to submit the documentation stipulated by this Decision.
- (4) The documentation submitted by Institutions to the Agency must be adopted, signed and certified by the competent authorities, i.e. an authorized person of the Institution, in the original or a certified photocopy. If the Institution submits a document in a foreign language, it shall be obliged to submit an official certified translation of the same.
- (5) The Agency's decision is final. An administrative dispute may be initiated against the Agency's decision before the competent court in accordance with the Law on administrative disputes.

Consent for the establishment of a business unit in Republika Srpska and outside Republika Srpska to an institution with headquarters in Republika Srpska

Article 2

- (1) An Institution with headquarters in Republika Srpska may issue electronic money through a business unit, which it may establish in Republika Srpska and outside Republika Srpska, with the consent of the Agency.
- (2) The Institution shall submit to the Agency a request for issuing consent for the establishment of a business unit referred to in Paragraph 1 of this Article, together with the following data and documentation:
 - 1) a decision of the competent management body on the establishment of a business unit with an indication of the activities which that part of the Institution will perform;
 - 2) business plan of the business unit for the first three business years with a description of the activities that the business unit will perform and a description of its organizational structure;

- 3) a decision of the competent management body of the Institution on the appointment of the manager of the business unit with an indication of his/her powers, as well as evidence of his/her business reputation, professional qualifications and work experience in accordance with Article 2 of the Decision on the conditions and procedure for issuing, revoking and terminating the validity of prior consent to perform the function of a manager of an electronic money institution;
 - 4) a statement that the Institution will ensure the effective implementation of the Law on anti-money laundering and counter terrorism financing in the new business unit;
 - 5) proof that business premises have been secured, if it is real estate (proof of ownership or a lease agreement for a fixed period with proof that the lessor is the owner of the business premises);
 - 6) the decision of the Ministry of labor and veterans' and disabled persons' protection of Republika Srpska on determining compliance with the requirements in the field of occupational safety.
- (3) The Agency shall issue a decision on the request for the establishment of a business unit referred to in Paragraph 1 of this Article within three months from the date of receipt of a complete and proper application.
 - (4) In the event that the submitted request is incomplete and irregular, the Agency shall, within one month from the date of receipt of the request, inform the Institution on how to correct the submitted request, in which case the deadline referred to in the previous Paragraph shall begin from the date on which the correct request was submitted to the Agency.
 - (5) The Institution with headquarters in Republika Srpska, after the Agency has issued it a license to provide electronic money issuance services, which intends to establish a business unit in the Federation of Bosnia and Herzegovina or the Brcko District of BiH, shall be obliged, after obtaining consent from the Agency, to contact the regulatory institution of the Federation of Bosnia and Herzegovina or the Brcko District of BiH in the further procedure, with the obligation to apply their regulations.
 - (6) Upon registration of the business unit in the register of business entities, the Institution shall be obliged to submit to the Agency a certified photocopy of the decision within 15 days from the date of registration.

Consent for the establishment of a business unit in Republika Srpska to an institution with headquarters in the Federation of Bosnia and Herzegovina or the Brcko District of BiH

Article 3

- (1) The Institution with headquarters in the Federation of Bosnia and Herzegovina or the Brcko District of BiH that has a license from the competent authority for issuing electronic money may operate in Republika Srpska exclusively through a business unit.
- (2) The business unit of the Institution referred to in Paragraph 1 of this Article may issue electronic money in Republika Srpska after obtaining the consent of the Agency and after being entered in the Agency's register.
- (3) All business units established by the Institution referred to in Paragraph 1 of this Article shall be considered one business unit for the purposes of reporting and monitoring by the Agency, and may issue electronic money only in the territory of Republika Srpska.
- (4) In order to obtain consent from the Agency, in addition to the requirements stipulated in Article 22, Paragraph 1 of the Law, the Institution referred to in Paragraph 1 of this Article, which intends to issue electronic money in Republika Srpska through a business unit, must meet the following conditions:
 - 1) that it is financially, managerially, organizationally, personnel-wise and technically capable of operating in accordance with the provisions of the Law;
 - 2) that it is established in the legal form of a joint stock company or a limited liability company and that it has been registered in the appropriate register of business entities for at least three years;
 - 3) that the conditions for the operation of the business unit in Republika Srpska are ensured in accordance with the Law;

- 4) that the Institution or persons who are members of the Institution's management bodies or have a qualifying holding in the Institution are not in any way connected with money laundering and terrorist financing;
 - 5) the electronic money institution and hybrid institution must have a license to issue electronic money from the competent authority according to their registered office;
 - 6) there is an act of the competent authority in the Federation of BiH or the Brčko District of BiH approving the establishment of a business unit in Republika Srpska.
- (5) The Agency shall assess the fulfillment of the conditions referred to in Paragraph 4 of this Article on the basis of the data and documentation stipulated in Article 2, Paragraph 2 of this Decision and Article 3, Paragraph 1 of the Decision on conditions and method of issuing the license to institutions which perform the issuance of electronic money in Republika Srpska.
- (6) Upon registration of the business unit in the register of business entities, the Institution referred to in Paragraph 1 of this Article shall be obliged to submit to the Agency a certified photocopy of the decision within 15 days from the date of registration.

Consent for change of business unit address

Article 4

- (1) The Institution with its registered office in Republika Srpska and the Institution with its registered office in the Federation of Bosnia and Herzegovina or the Brčko District of BiH that has established a business unit in Republika Srpska shall be obliged to submit to the Agency a request for issuing consent for changing the registered office/address of the business unit.
- (2) Along with the request referred to in Paragraph 1 of this Article, the Institutions shall be obliged to submit the following documentation:
 - 1) decision of the competent authority on the change of the registered office/address of the business unit;
 - 2) proof of secured business premises at the new address (proof of ownership by the applicant or a fixed-term lease agreement with proof that the lessor owns the business premises for the new location);
 - 3) a statement by the Institution on assuming obligations and responsibility for all obligations that will arise in the operations of that Institution at the new address of the business unit;
 - 4) decision of the Ministry of labor and veterans' and disabled persons' protection of Republika Srpska on determining compliance with the requirements in the field of occupational safety.

Rejecting request to establish business unit

Article 5

- (1) The Agency shall reject the request for issuing a consent for establishing a business unit in Republika Srpska and outside Republika Srpska to an institution with its registered office in Republika Srpska and for establishing a business unit in Republika Srpska to an institution with its registered office in the Federation of Bosnia and Herzegovina or the Brčko District of Bosnia and Herzegovina, in the following cases:
 - 1) if the conditions for issuing a consent for the establishment, i.e. operation of a business unit, as provided for by the Law and this Decision, are not met;
 - 2) if incorrect or false information were submitted or the information requested by the Agency in the decision-making process were not provided;
 - 3) if the performance of the Agency's supervisory function in relation to the activities carried out by the business unit could be hindered or not feasible, or
 - 4) in other cases when the Agency assesses that the conditions for issuing a consent for the establishment or operation of a business unit have not been met.

Revoking consent for the establishment of a business unit

Article 6

- (1) The Agency may revoke the consent for the establishment of a business unit in Republika Srpska and outside Republika Srpska to an institution with its registered office in Republika Srpska and for the establishment of a business unit in Republika Srpska to an institution with its registered office in the Federation of Bosnia and Herzegovina and the Brčko District of Bosnia and Herzegovina in the following cases:
 - 1) if the consent to establish a business unit was obtained by providing false or inaccurate data;
 - 2) if it assesses that the Institution no longer meets the conditions stipulated by the Law and this Decision.

Transitional and final provisions

Article 7

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

Number: UO-116/24
Date: 29 October 2024

PRESIDENT OF THE
MANAGEMENT
BOARD
Dejan Kusturić