

LAW
ON AMENDING THE LAW ON LEASING

Article 1

In the Law on Leasing („Official Gazette of the Federation of B&H“, No. 85/08, 39/09, and 65/13), a comma and the words „but it may also be a future object“ are added after the word „rights“ in Article 2, item d).

Article 2

In Article 5, new paragraphs (5), (6), (7), and (8) are added after paragraph (4) and read as follows:

“(5) Considering the position and number of subjects in the leasing business, leasing can be a direct lease, indirect lease, and leaseback (sale-and-leaseback).

(6) A direct lease is a two-sided legal transaction in which only two subjects participate, the lessor, who is also the supplier of the leasing object, and the lessee.

(7) An indirect lease is a multilateral legal transaction in which three subjects participate, the supplier of the leasing object, the lessor, and the lessee.

(8) A leaseback (sale-and-leaseback) is a legal transaction in which only the lessee and the lessor participate, with the lessee, who was previously a supplier of the leasing object, selling the leasing object to the lessor, which the lessor then hands over to be used by the lessee, along with the lessee's obligation of paying a fee.“

Article 3

In Article 5a, paragraph (1) is deleted.

Current paragraph (2) becomes paragraph (1).

Article 4

In Article 15, paragraph (1), items b) and c), the words „six months“ are replaced with the words „one year“.

Article 5

After Article 15, a new Article 15a is added, which reads as follows:

„Article 15a

Cessation of Operations of a Leasing Company

(1) A leasing company may decide to cease operations as a leasing company and re-register as another type of company, provided that there are no valid leasing arrangements in the portfolio or provided that it transfers its leasing operations to another leasing company.

(2) The leasing company referred to in paragraph (1) of this Article shall, prior to the entry of the decision on changing business activities into the court register, obtain a decision from the Agency on the revocation of the licence to perform leasing operations.

(3) The Agency shall issue a decision on revoking the licence when, in addition to other conditions required for the cessation of operations of the leasing company, it finds that the conditions referred to in paragraph (1) of this Article have been met.

(4) If the leasing company decides to cease operations as a leasing company while still having valid leasing arrangements in its portfolio and if it fails to transfer its leasing operations to another leasing company within six months, the Agency shall act in the manner of Article 85, paragraph (3) of this Law. The leasing company remains under the supervision of the Agency until the process of transferring the portfolio to another leasing company is completed or until liquidation proceedings are initiated by a competent court.

(5) In the case of a transfer of leasing operations as referred to in paragraph (1) of this Article, the leasing companies participating in that process shall inform the Agency of their intention in written form, carry out prior consultations with the Agency, and receive approval from the Agency regarding that transfer.“.

Article 6

In Article 29, new paragraphs (6) and (7) are added after paragraph (5) and read as follows:

„(6) In accordance with the Memorandum of Association or Statute, the company can grant power of attorney to one or more natural persons to represent the leasing company, i.e. conclude arrangements and perform legal actions arising from the activities of the leasing company on behalf of and on account of the leasing company, but only together with at least one member of the leasing company's Management Board.

(7) The conditions to be met by a person to whom power of attorney is granted, the authority for granting power of attorney, the type and manner of granting power of attorney, the scope, the authorisations of the power of attorney, including restrictions with respect to actions taken by a procurator, shall be determined by the Memorandum of Association of the leasing company.“.

Article 7

In Article 30, paragraph (1) item c), the words „nor a procurator in any other legal entity“ are added after the word „Federation“.

After item d), new items e), f), g), and h) are added, which read as follows:

„e) about whom it can be reasonably concluded, based on past behaviour, that they will discharge the duties of a Management Board member of the leasing company in a responsible and conscientious manner;

f) has not been relieved of their duties as a Management Board member of the leasing company by order of the Agency as referred to in Article 83, paragraph (2) of this Law;

g) has a good reputation and to whose assets no added encumbrance has been attached by the competent authority;

h) has not been convicted of an offence or a crime which constitutes a grave and sustained violation of regulations related to the activities of the Agency or another competent authority on the financial market, and“.

Current item e) becomes item i).

Article 8

After Article 30, new Articles 30a, 30b, 30c, and 30d are added and read as follows:

„Article 30a

Approval for Performing the Function of a Management Board Member of a Leasing Company

(1) Only a person who has obtained the Agency's approval for performing the function of a Management Board member of a leasing company can be appointed member of a leasing company's Management Board.

(2) An application for the issuance of the approval referred to in paragraph (1) shall be submitted by the candidate for Management Board member of the leasing company, along with a mandatory attached decision in written form or approval of the leasing company body responsible for the appointment of Management Board members for a term which cannot be longer than four years.

(3) In the process of deciding on prior approval, the Agency issues the prior approval referred to in paragraph (1) of this Article for the duration of the term of the proposed mandate.

(4) The application referred to in paragraph (2) of this Article shall be accompanied by evidence of meeting the requirements referred to in Article 30 of this Law.

(5) In the process of deciding on the prior approval referred to paragraph (1) of this Article, the Agency may request that the candidate for Management Board member of the leasing company present a programme of managing the leasing company's operations for the duration of the term for which they are being appointed Management Board member.

(6) A person who has obtained the Agency's approval for the performing the function of a Management Board member of the leasing company prior to being appointed member of the leasing company's Management Board must obtain the Agency's approval again.

(7) When the leasing company's competent body wants to re-appoint a person who has already obtained approval for performing the function of a Management Board member of the leasing company, the candidate for Management Board member of the leasing company shall submit an application to the Agency for the issuance of the approval referred to in paragraph (2) of this Article regarding a new term at least three months before the expiry of their term as Management Board member, along with an attached decision in written form or approval of the leasing company body responsible for the appointment of Management Board members.

(8) A person who has already obtained approval for performing the function of a Management Board member of the leasing company and whom the leasing company's competent body wants to re-appoint shall again undergo the procedure prescribed by this Law.

Article 30b

Rejection of the Application for Approval to Perform the Function of a Management Board Member of a Leasing Company

The Agency shall issue a decision rejecting the application for the issuance of an approval for performing the function of a Management Board member of a leasing company if:

- a) the proposed person does not meet the requirements prescribed by the provisions of Article 30 of this Law,
- b) the Agency has objective and verifiable reasons due to which it can be assumed that the activities and operations the person engages in or has engaged would pose a threat to the management of the leasing company in accordance with the rules on risk management, organisational and other the requirements of this Law, as well as other laws and regulations,
- c) the data in the application for the issuance of an approval are inaccurate, untrue or data that are misleading.

Article 30c

Revocation of Approval to Perform the Function of a Management Board Member of a Leasing Company

(1) The Agency shall issue a decision revoking the approval for performing the function of a Management Board member of a leasing company if:

- a) the person to which the approval refers is not appointed and does not take office as Management Board member of the leasing company within six months from the issuance date of the approval for performing the function of a Management Board member, with the process of issuing approvals having been linked to the process of issuing approvals for performing leasing operations,
- b) the person is not appointed and does not take office as Management Board member of the leasing company within three months from the issuance date of the approval for performing the function of a Management Board member,
- c) the person's function as Management Board member of the leasing company to which the approval refers is terminated,

- d) the person's employment with the leasing company to which the approval refers is terminated on the date of the termination of employment, i.e. the expiry of their term as Management Board member to which the approval refers,
 - e) the Management Board member does not meet the conditions under which the approval was issued,
 - f) the approval was issued as a result of an omission of important facts or on the basis of false, incorrect information and data that are misleading, or in some other improper manner,
 - g) the Management Board member of the leasing company gravely and systematically violated this Law, regulations adopted on the basis of this Law, and other legislation, particularly if the liquidity or capital maintenance of the leasing company was jeopardised as a consequence,
 - h) the Management Board member failed to ensure the implementation of or failed to implement supervisory measures ordered by the Agency,
 - i) the Management Board member did not ensure an adequate organisational structure and risk management system of the leasing company,
 - j) the conditions for Management Board members from provisions of regulations on business companies have ceased to exist,
 - k) it is found that the Management Board member has a conflict of interest due to which they are unable to fulfill the obligations and duties with the diligence of a proper and conscientious businessman,
 - l) the Management Board member regularly fails to fulfill the obligation of identifying and evaluating the efficiency of policies, measures and internal procedures related to the compliance of the leasing company with this Law or the obligation to take appropriate measures in the interest of eliminating the deficiencies or irregularities in the operations of the leasing company.
- (2) Exceptionally, in the cases referred to in paragraph (1), items h), i), k), and l) of this Article, the Agency may, instead of revoking the decision, issue a decision temporarily prohibiting the Management Board member of the leasing company from performing their function.

Article 30d

Legal Consequences of Revoking the Approval to Perform the Function of a Management Board Member of a Leasing Company

- (1) If the Agency revokes the approval to perform the function of a Management Board member, the leasing company shall, without delay, issue a decision on the revocation of the appointment of that Management Board member.
- (2) If the Management Board member had their approval to perform the function of a Management Board member revoked or in other cases of early termination of the Management Board member's term, the competent authority according to the Memorandum of Association of the leasing company shall, within 90 days from the date of termination of office of a member or members of the Management Board, obtain the approval of the Agency and appoint a new member or new members of the Management Board, if the leasing company were not to have the minimum number of Management Board members in accordance with the Memorandum of Association and/or this Law.
- (3) The Agency shall combine both procedures if a procedure for revoking the approval to perform the function of a Management Board member as referred to in Article 30c, paragraph (1), item g) of this Law has been initiated against a member of the Management Board, due to which a procedure for revoking the licence to perform leasing operations has been initiated against the leasing company.
- (4) In the event that the Management Board of the leasing company is not in full session or that Management Board members of the leasing company cannot perform their function for reasons other than those specified in paragraph (2) of this Article, the competent body according to the Memorandum of Association of the leasing company may, without prior approval of the

Agency, appoint members of the Supervisory Board as deputy members of the Management Board on a one-time basis, for a period of three months at the most, if that is necessary to ensure the leasing company's operations and the elimination of harmful effects to the leasing company. It is to inform the Agency of this in written form within 3 days of the appointment date.“.

Article 9

In Article 48, a new paragraph (9) is added after paragraph (8) and it reads as follows:

„(9) If, according to the regulation governing violations, the owner of the leasing object is responsible for a violation directly related to the use of the leasing object, and the leasing object was not in possession of the lessor at the time the violation for the purpose of determining the existence of a violation and liability for violation, it shall be deemed that the lessee is the owner of the leasing object.“.

Article 10

“(2) A leasing arrangement does not include:

- a) a lease agreement concluded in terms of the Law on Obligations;
- b) an agreement that defines the lease of moveables or immoveables, which is not concluded in accordance with the provisions of this Law.“.

Article 11

In Article 55, paragraph (1), the words: „return of the leasing object“ are replaced with the words: „repossession of the leasing object“.

Article 12

In Article 58, paragraph (3), the words „and in accordance with paragraph (2) of this Article.“ are added at the end of the text after the words „vehicle ownership“.

Article 13

In Article 59, paragraph (2), the number „30“ is replaced with the number „60“.

Article 14

„(2) Risk management is a comprehensive process, i.e. set of procedures, methods and techniques for identifying, measuring and assessing as well as managing and mastering the risks to which the leasing company is exposed or could be exposed in its operations, including reporting on the aforementioned. The leasing company shall establish a comprehensive and effective risk management system in accordance with the type, scope, and complexity of its operations, which must include at least:

- a) risk management strategies, policies, procedures, and measures,
- b) risk measurement techniques,
- c) a division of responsibilities in relation to risk management.“.

Article 15

New Articles 60a and 60b are added after Article 60 and they read as follows:

„Article 60a

General Organisational Requirements

(1) Considering the nature and complexity of operations, the leasing company shall establish, implement and regularly update, assess and monitor effective and appropriate:

- a) decision-making procedures and an organisational structure which clearly and in a documented manner determines the lines of accountability and allocates functions and responsibilities;

- b) internal control mechanisms, intended for ensuring compliance with this Law and regulations adopted on the basis of this Law and other regulations, as well as internal decisions, procedures, and practices at all levels of the leasing company;
- c) records of all internal documents, as well as their amendments;
- d) administrative and accounting procedures and processes, a system for developing business books and financial statements, as well as procedures and processes for managing and storing business documents, which will provide a true and fair account of the financial situation of the company in accordance with all applicable accounting rules;
- e) measures and procedures for proper operations, supervision, and protection of the company's information system, and
- f) measures and procedures for preserving the integrity, availability and confidentiality of information.

(2) The leasing company shall, as part of the internal control mechanism, and taking into account the nature, scope, and complexity of its business operations as well as the nature and scope of the services it provides and performs, establish its own risk management function and internal audit function, which independently and objectively evaluates the internal controls system, provides an independent and objective expert opinion and advice for improving business operations with a view to improving the leasing company's business operations by introducing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and corporate governance.

Article 60b

Outsourcing of a Leasing Company's Business Processes

(1) A leasing company may outsource certain business processes supporting the performance of the leasing company's core activities in such a manner that it transfers them to another entity, on the basis of an agreement in written form. The outsourcing of business processes means contractually delegating the performance of actions, services or activities which would otherwise be performed by the leasing company to another entity. The service provider can be any natural person or legal entity authorised to perform the tasks which are being outsourced in accordance with the regulations of the country in which it operates.

(2) The leasing company may not outsource the business activity of providing leasing services, for which it has obtained an operating licence from the Agency.

(3) An agreement on the outsourcing of business processes must stipulate that the entity to which the leasing company's business processes are transferred shall allow for the Agency's supervision of the transferred business processes. The leasing company shall establish an appropriate system for managing the risks related to the outsourced business processes.

(4) The leasing company's liability to third parties must not in any case be transferred to the service providers.

(5) The leasing company may not outsource the rights and obligations of the management body, nor the control functions of the leasing company (credit function and risk function, internal audit, etc.).

(6) Notwithstanding paragraph (5) of this Article, the leasing company may outsource segments of the internal audit function which are related to the audit of information technology and other specific types of internal audit.

(7) The leasing company shall ensure that the outsourcing of business processes to another entity does not undermine:

- a) the performance of the leasing company's regular business operations;
- b) the leasing company's effective risk management;
- c) the leasing company's internal controls system;
- d) the ability to be supervised by the Agency.

(8) The Agency is authorised to prohibit the outsourcing of certain business processes or to require that additional conditions be met if it assesses that such an outsourcing of business processes could prevent or hinder the effective and continuous fulfillment of the conditions referred to in paragraph 3 of this Article.

(9) The Agency shall prescribe the conditions and criteria for the outsourcing of business processes via a special document.“.

Article 16

New items a) and b) are added in Article 70 and they read as follows:

„a) a recommendation to the leasing company's Management Board;

b) a warning;“

Item d) is deleted.

Current items a), b), and c) become items c), d), and e).

Article 17

In CHAPTER III. MEASURES FOR THE CORRECTION OF ILLEGALITIES AND IRREGULARITIES, new Articles 78a and 78b are added after Article 78 and they read as follows:

„Article 78a

Recommendations to a Leasing Company's Management Board

(1) When the Agency, as part of its supervision, review, and assessment of financial stability and the position of the leasing company, as well as of its review and assessment of the risks to which the leasing company is exposed or could be exposed in its operations, identifies weaknesses, shortcomings, deficiencies, and irregularities which do not constitute a violation of this Law or regulations issued on the basis of it as well as other laws and regulations adopted based on the aforementioned or if the Agency deems it necessary that the leasing company take actions and activities to improve its business operations, financial stability, and position as well as reduce the risks to which it is exposed or could be exposed in its operations, the Agency will issue recommendations to the Management Board of the leasing company.

(2) The recommendations contain identified and assessed significant risks and problems to which the leasing company is exposed or could be exposed, i.e. identified weaknesses, shortcomings, deficiencies, and irregularities which do not constitute a violation of the regulations of this Law, and management guidelines for the company's Management Board in the interest of eliminating the aforementioned, but also in the interest of improving business operations, financial stability, and the position as well as reducing the risks to which the leasing company is exposed or could be exposed in its operations.

(3) The Management Board of the leasing company shall submit to the Agency the plan, deadlines, and dynamics of complying with the Agency's recommendations.

(4) In order to determine the improvement in business operations, financial stability, and the position as well as to reduce the risks to which the leasing company is exposed or could be exposed in its operations, the Agency may conduct a new supervision of the leasing company.

Article 78b

Warning

(1) When the Agency identifies illegalities and irregularities in the course of its supervision, and the nature and extent of the illegalities and irregularities have no significant impact and effect on the leasing company's business operations, the Agency may issue a warning to the leasing company.

(2) The Agency's warning may include an order that the leasing company correct the identified illegalities and irregularities, deadlines within which the leasing company shall do so, as well as the dynamics of notifying the Agency of actions and activities taken.

(3) If the leasing company does not comply with the Agency's order and deadline referred to in paragraph (2) of this Article, the Agency will issue a decision on eliminating the illegalities and irregularities.

(4) The Agency is authorised to conduct a new supervision of the leasing company to the extent and scope needed to determine whether the leasing company complied with the Agency's order referred to in paragraph (2) of this Article, and whether the illegalities and irregularities were eliminated in an appropriate manner and to the appropriate extent.“.

Article 18

A new CHAPTER IV. and Articles 83a and 83b as well as a new CHAPTER V. and Articles 83c, 83d, and 83e are added after Article 83 and they read as follows:

„CHAPTER IV. SUPERVISION OF OTHER ENTITIES

Article 83a

Performing Leasing Operations without a Licence

The Agency is also authorised to conduct supervision of other entities about which it possesses information:

- a) that they, in addition to other activities or as the only activity, perform leasing operations, without a licence to perform leasing operations issued by the Agency;
- b) that they are lessees that have concluded an arrangement with a legal entity registered outside the territory of B&H.

Article 83b

Supervisory Measures

(1) As part of the supervision referred to in Article 83a of this Law, the Agency conducts a review of business books and other documents of supervised entities.

(2) If the Agency determines during the supervisory process that the entity is acting in the manner referred to in Article 83a of this Law, that entity will be issued a Decision ordering it to eliminate illegalities and irregularities. The decision imposes measures that may include the suspension of concluding new leasing arrangements and/or a transfer of leasing operations to a leasing company with a licence to perform leasing operations issued by the Agency.

CHAPTER V. CONFIDENTIAL INFORMATION

Article 83c

General provision

The leasing company shall keep as confidential all information, data, facts, and circumstances it learned while doing business with the lessee or leasing supplier.

Article 83d

Obligation of Confidentiality

(1) Owners, Management Board members, and employees of the leasing company, or other entities to whom the information referred to in Article 83c of this Law was made available in relation to their work in the leasing company or while providing services for the leasing company in any way must not disclose that information to third parties, use them against the interests of the leasing company and its clients, or allow it to be used by third parties.

(2) The obligation of confidentiality is not applicable in the following cases:

- a) if the lessee or leasing supplier in written form consents to certain confidential information being disclosed;
- b) if the competent court or another competent authority in written form requests or orders that information to be submitted in order to determine the facts in criminal or misdemeanor proceedings or for the purpose of determining the facts necessary for the initiation of such proceedings;
- c) in cases determined by certain regulations governing the prevention of money laundering and terrorism financing;
- d) if that information is necessary in order to clarify the legal relationship between the leasing company and the lessee or leasing supplier, or other right holders under the leasing arrangement as well as between the lessee and third parties in judicial proceedings, arbitration proceedings, and conciliation proceedings;
- e) if the competent court in written form requests or orders that information to be submitted for the purposes of probate proceedings, bankruptcy proceedings and other judicial proceedings;
- f) if the competent court or another competent authority in written form requests or orders that information to be submitted for the execution of assets of the lessee or another right holder under the leasing arrangement or of third party assets;
- g) if the competent authority which supervises improperly stopped and parked vehicles and the towing of improperly stopped and parked vehicles, or which supervises the parking of vehicles in places where parking is limited in time, as well as a legal entity which performs public services and utilities, in written form requests that information to be submitted in order to exercise its powers;
- h) if that information is submitted to the Agency for the purpose of supervision conducted by the Agency or another supervisory authority within its competences,;
- i) if that information is submitted to the tax authorities for the purpose of proceedings they conduct within their competences;
- j) if that information is disclosed to a legal entity registered to collect and provide information on obligations from leasing operations;
- k) if it is prescribed by a special law.

(3) The obligation of confidentiality continues to exist for entities referred to in paragraph (1) of this Article after they cease to work in the leasing company, or after they cease to be the owner of the leasing company or a Management Board member of the leasing company, as well as after the termination of the contractual relationship regarding the performance of tasks for the leasing company.

(4) The supervisory authority or other authorities and courts may use the information collected on the basis of paragraph (2) of this Article only for the purpose for which it was collected.

Article 83e

Collection, Management and Use of Confidential Information

Leasing companies collect, process, store, submit, and use the confidential information referred to in Article 83c of this Law in accordance with regulations governing the protection of personal data and other data protection regulations.“.

Article 19

New paragraphs (4), (5), (6), and (7) are added after paragraph (3) in Article 85 and they read as follows:

„(4) Before making a decision on the liquidation of the leasing company, the management and supervisory boards of the leasing company shall carry out prior consultations with the Agency.

(5) The liquidators shall inform the Agency of the decision to liquidate the leasing company within three days of it being made.

(6) The liquidators of the leasing company shall complete ongoing operations, collect receivables, liquidate the assets of the leasing company and settle liabilities to creditors as well as divide any remaining assets among the owners of the leasing company.

(7) Exceptionally, to the extent required by the implementation of the liquidation, the liquidators may contract new business operations.“.

Article 20

In Article 91, the title „Violations Committed by Leasing Companies“ is amended to read: „Serious Violations Committed by Leasing Companies.“

In paragraph 1, the amount „1 000.00 to 15 000.00“ is replaced with the amount „5 000.00 to 20 000.00“.

New items d) and e) are added after item c) and they read as follows:

„d) fails to comply with Article 15a of this Law;

e) fails to obtain the Agency's approval in accordance with Article 30, paragraph (3) of this Law when appointing a Management Board member.“.

Current items d) and e) become items f) and g).

New items h) and i) are added after the current item e), which becomes item g), and they read as follows:

„h) does not comply with Article 60 of this Law;

i) seriously violates the risk management rules referred to in Article 62 of this Law.“

Current items f), g), h), and i) become items j), k), l), and m).

Paragraph (2) and (3) are deleted.

Article 21

A new Article 91a is added after Article 91 and it reads as follows:

„Article 91a

Minor Violations Committed by Leasing Companies

A fine in the amount of KM 2 000.00 to 7 000.00 shall be imposed on the leasing company if:

a) it acts contrary to the provisions of Articles 24 and 25 of this Law when appointing Supervisory Board members;

b) a Management Board member is not employed in accordance with Article 29, paragraph (5) of this Law;

c) it fails to make available information referred to in Article 33 of this Law;

d) the leasing arrangement is not drawn up in accordance with the provisions of Articles 36 to 38 of this Law;

e) it fails to notify the supplier of the leasing object in accordance with the provisions of Article 40 of this Law;

f) it does not comply with Article 60a of this Law;

g) it does not comply with Article 60b of this Law;

h) it fails to notify the Agency in accordance with the provisions of Article 68 of this Law;

i) it fails to submit information to the Agency in accordance with the provisions of Article 75 of this Law;

j) it fails to comply with Article 85 (4) of this Law.“.

Article 22

In Article 92, paragraph 1), the words: „1 000.00 to 15 000.00“ are replaced with the words: „2 000.00 to 7 000.00“.

Paragraph (2) is deleted.

Article 23

New Articles 92a and 92b are added after Article 92 and they read as follows:

„Article 92a

Violations Committed by Responsible Persons in the Leasing Company and Bank

(1) The following penalties shall be imposed on the responsible person in the leasing company for violations:

a) referred to in Article 91 of this Law, a fine in the amount of KM 1 500 to 5 000.00;

b) referred to in Article 91a of this law, a fine in the amount of KM 1 000 to 3 000.00.

(2) A fine in the amount of KM 1 000 to 3 000.00 shall be imposed on the responsible person in the bank for violations referred to in Article 92 of this Law.

Article 92b

Lessees (Natural Person or Legal Entity)

(1) A fine in the amount of KM 1 000.00 to 3 000.00 shall be imposed on a natural person – lessee who concluded a leasing arrangement with a legal entity registered outside the territory of B&H.

(2) A fine in the amount of KM 2 000.00 to 7 000.00 shall be imposed on a legal entity – lessee that has concluded a leasing arrangement with a legal entity registered outside the territory of B&H.

(3) A fine in the amount of KM 1 000.00 to 3 000.00 shall be imposed on the responsible person in the legal entity – lessee for the violation referred to in paragraph (2) of this Article.“

Article 24

In Article 93, paragraph (1), the words: „500.00 to 1 500.00“ are replaced with the words „1 500.00 to 5 000.00“.

In paragraph (2), the words „that had the authorisation“ are deleted, and the words „300.00 to 1 000.00“ are replaced with the words “1 000.00 to 3 000.00“.

Article 25

A new Article 93a is added after Article 93 and it reads as follows:

„Article 93a

Violations Committed by Members of the Leasing Company's Management Board and Supervisory Board

(1) A fine in the amount of KM 1 000.00 to 5 000.00 shall be imposed on executive directors – members of the leasing company's Management Board, if they fail to conduct the leasing company's operations that are within their jurisdiction in accordance with Article 31 of this Law.

(2) A fine in the amount of KM 1 000.00 to 5 000.00 shall be imposed on members of the Supervisory Board if they fail to comply with Article 27 of this Law.“.

Article 26

This Law will enter into force on the eighth day following its publication in the “Official Gazette of the Federation of B&H”.

Chairman
of the House of Representatives
of the Parliament of the Federation of B&H
Edin Mušić, sgd.

Chairwoman
of the House of Peoples
of the Parliament of the Federation of B&H
Lidija Bradara, sgd.