



No.: 01-2-3675/14  
Sarajevo, 16.10.2014

**Subject:** Information about the Revocation of the Operating Licence of the Microcredit Foundation „PRIZMA“ Sarajevo

***Licence for Microlending Business Operations of Microcredit Foundation „PRIZMA“ Sarajevo Revoked***

In accordance with the provisions of the Law on Microcredit Organisations and the Decision on Conditions and Process of Issuance and Revocation of Operating Licences and Other Approvals to/from Microcredit Organisations, by the Federal Banking Agency's Decision No. 07-3573/14 from 09.10.2014, the licence for microlending business operations of the Microcredit Foundation „PRIZMA“ Sarajevo is revoked.

The licence revocation was preceded by the activities the Agency, which have been focused on the MCF „PRIZMA“ harmonising its operations with the provisions of the Law on MCOs for quite some time, especially in relation to the establishment of normal functioning and settling of its obligations. During examinations of operations and quarterly analyses and special reports of the MCF „PRIZMA“, numerous irregularities and illegalities were found in the operations of the MCF „PRIZMA“, i.e. it was found that the MCF „PRIZMA“ significantly violates the prescribed limits and operating conditions referred to in Articles 15 and 16 of the Decision on Other General Conditions for Operations of Microcredit Organisations. Furthermore, in its acts, the Agency has stated and warned the MCF „PRIZMA“ that its operations clearly endanger its property and donated funds, as well as that it is necessary for it to harmonise its operations with the provisions of the Law in order to protect the aforementioned. The Agency has also found that the MCF „PRIZMA“ has around 40 blocked transaction accounts.

Seeing how, despite warnings, the MCF „PRIZMA“ has continued its bad business operations, has not taken the necessary steps to remedy the recorded poor results and protect donated funds, seeing how it is unable to settle its loan commitments, which is why all its transaction accounts have been blocked, this indicates that the MCF „PRIZMA“ has met the conditions for the revocation of the licence for microlending business operations, in accordance with Article 22, Item 8 of the Law on Microcredit Organisations, with this being in the interest of protecting the assets of the MCF „PRIZMA“, the interests of users of financial services and maintaining the stability of the entire financial system of the Federation of B&H.

FBA PUBLIC RELATIONS OFFICE