

Pursuant to Articles 4, 9 and 25 of the Law on the Banking Agency of the Federation of Bosnia and Herzegovina („Official Gazette of the Federation B&H“ No. 9/96, 27/98, 20/00, 45/00, 58/02, 13/03, 19/03, 47/06, 59/06, 48/08, 34/12 and 77/12), Articles 47, 48 and 50 of the Law on Foreign Currency Operations („Official Gazette of the Federation B&H“ No. 47/10), and with reference to Article 38, Paragraph 1 and Article 51, Paragraphs 2 and 3 of the Law on Banks („Official Gazette of the Federation B&H“ No. 39/98, 32/00, 48/01, 27/02, 41/02, 58/02, 13/03, 19/03 and 28/03), and with reference to the Decision on Minimum Standards for Performing Currency Exchange Operations („Official Gazette of the Federation B&H“ No. XX), the Management Board of the Banking Agency of the Federation of Bosnia and Herzegovina, at its 1<sup>st</sup> extraordinary meeting held on 19.11.2013, adopted the following

## **DECISION**

### **ON EXAMINATION OF CURRENCY EXCHANGE OPERATIONS**

#### **Article 1**

- (1) The Decision on Examination of Currency Exchange Operations (hererinafter: the Decision) regulates the process of examination of currency exchange operations that the Banking Agency of the Federation of Bosnia and Herzegovina performs with regards to banks and authorised exchange offices.
- (2) The examination from Paragraph 1 herein defines that currency exchange operations shall be performed in line with the Law on Foreign Currency Operations (hereinafter: the Law), regulations resulting from this Law, concluded currency exchange agreement (hereinafter: the Agreement) and the Decision on Minimum Standards for Performing Currency Exchange Operations.

#### **Article 2**

Terms: exchange office (bank, branch of the bank seated outside the Federation of Bosnia and Herzegovina and authorised exchange office), foreign currency market, currency exchange operations, residents – legal entities and entrepreneurs, authorisation, currency exchange location and cash operation location in sense of this Decision, shall bear the meaning defined in the Law and the Decision of the Government of the Federation of Bosnia and Herzegovina on Requirements and Manner for Performing Currency Exchange Operations (hereinafter: the Government's Decision).

#### **Article 3**

The examination of currency exchange operations shall be performed:

a) indirectly – by means of reviewing information, reports and other documentation that exchange offices are required to deliver to the FBA, i.e. that are made available to the FBA;

b) directly – by means of examining performance of currency exchange operations of the authorised exchange offices and exchange offices and at the currency exchange location by means of reviewing business records and other documentation.

#### **Article 4**

The examination of currency exchange operations of exchange offices shall be conducted by authorised staff of the FBA based on an examination order. Authorised staff shall possess official accreditation to be presented to employees of the exchange office.

#### **Article 5**

During the examination process, an employee at the exchange office is required to ensure that authorised staff of the FBA can review currency exchange operations, to provide requested information and deliver necessary documentation. Otherwise, FBA shall terminate the examination and initiate relevant proceedings before competent authority.

#### **Article 6**

- (1) Report of examination of currency exchange operations (hereinafter: the Report) shall be delivered to the exchange office within 7 (seven) days upon completion of relevant examination. FBA Director may issue a ruling defining another deadline for delivery of the Report to the exchange office. The exchange office shall receive one copy of the Report.
- (2) The exchange office shall have a right of objection to the Report within 5 (five) days upon its receipt.
- (3) After the deadline for objections has expired or after the objection's review, the FBA shall issue a ruling on written orders to the exchange office for elimination of defined irregularities and weaknesses stated in the Report and shall set deadlines for their fulfillment.
- (4) Exchange office may file a letter of objection with the FBA Director to the ruling on written orders from Paragraph 3 of this Article within (8) eight days upon its receipt.
- (5) If the exchange office fails to eliminate the defined irregularity within the deadline from Paragraph 3 of this Article, the FBA shall take measures defined by the law and/or submit a recommendation to the FB&H Ministry of Finance to initiate the process to withdraw authorisations for conducting currency exchange operations.

- (6) The exchange office shall send a written notification to the FBA on fulfillment of the ruling on written orders not later than the next day following expiry of the deadline defined in the ruling on written orders.
- (7) FBA shall verify fulfillment of orders from the ruling and prepare the Report on follow-up examination of written orders.

#### **Article 7**

Exchange offices shall report to the FBA on their currency exchange operations in manner and within deadlines prescribed by the FBA.

#### **Article 8**

Implementation guidelines for the Decision and the Examination Procedures for Currency Exchange Operations define more closely requirements, fulfillment manner and implementation of this Decision.

#### **Article 9**

This Decision shall enter into force one day after its publication in the Official Gazette of the Federation B&H.

No. U.O.-01V-6/13

Sarajevo, 19.11.2013

DEPUTY CHAIRMAN OF THE  
MANAGEMENT BOARD

M.Sc. Ljerka Marić B.Sc. (Econ)