

Pursuant to Article 18, paragraph 1, item 3 of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 – CC decision and 44/2018) and Section 17 of the Decision on Banks' Required Reserves with the National Bank of Serbia (RS Official Gazette, No 76/2018), the Governor of the National Bank of Serbia adopts the following

**GUIDELINES  
FOR IMPLEMENTING THE DECISION ON BANKS' REQUIRED  
RESERVES WITH THE NATIONAL BANK OF SERBIA**

1. For the purpose of implementing the Decision on Banks' Required Reserves with the National Bank of Serbia (hereinafter: the Decision), these Guidelines define in more detail some of the terms used in the Decision, the contents of reports on the calculation of dinar and foreign currency required reserves that banks have to submit to the National Bank of Serbia (hereinafter: NBS), as well as the conditions under which banks exercise the right to access these data through the NBS Monetary Operations web-platform – application Required Reserves (hereinafter: web-platform).

2. Liabilities with maturity of up to two years or 730 days are liabilities carried in accounts which, pursuant to the decision stipulating the collection, processing and submission of data on the balance and structure of accounts from the Chart of Accounts (hereinafter: SSKR Decision), have codes 1, 2, 3, 5, 6 or 7 in their seventh-digit position, as well as liabilities carried in accounts for which no seventh-digit coding is prescribed by accounting regulations.

Liabilities with maturity longer than two years or 730 days are liabilities carried in accounts that have codes 8, A, B, C, D, E, F, G or H in their seventh-digit position, or liabilities with the maturity of 731 days or longer.

3. Liabilities not indexed to a foreign currency (hereinafter: non-indexed liabilities) in respect of dinar deposits, loans, securities and other dinar liabilities are all liabilities in respect of dinar deposits, loans, securities and other dinar liabilities, including portions of dinar deposits received under transactions performed by the bank on behalf and for the account of third parties that are in excess of the deposit-based investment, which are included in the dinar reserve base together with the relevant interest and fees and are not indexed to a foreign currency, while accounts in which they are carried have codes 0, 5, 9, A, B, C or D in the sixth-digit position.

When classifying non-indexed liabilities in the OR-Din Form (Schedule 1), liabilities to households shall also include liabilities to entrepreneurs,

private households with employed persons and registered agricultural producers, while the accounts in which they are carried have codes 40, 80 or 81 in the fourth and fifth-digit positions.

Non-indexed liabilities also mean non-indexed liabilities in respect of dinar deposits, loans and other external dinar liabilities relating to dinar deposits and loans received from foreign entities, as well as other dinar liabilities to foreign entities, including relevant interest and fees which are included in the dinar reserve requirement base and are not indexed to a foreign currency, and the accounts in which they are carried have codes 70, 71, 72, 73, 74 or 75 in the fourth and fifth-digit positions, and codes 0, 5, 9, A, B, C, or D in the sixth-digit position.

Liabilities from paragraph 3 of this Section are disclosed separately in the OR-Din Form (Schedule 1), under ref. Nos 1.2 and 2.2, and classified by maturity in accordance with Section 2 of these Guidelines.

4. Liabilities in respect of foreign currency savings deposits with banks are foreign currency liabilities under transaction deposits, demand deposits, short- and long-term deposits of households, entrepreneurs, foreign natural persons, domestic non-resident natural persons, private households with employed persons and registered agricultural producers, including respective interest and fees which are included in the foreign currency reserve base and are carried in banks' ledgers in the following accounts: 500, 501, 502, 503, 504, 505, 520 and 521, and have codes 40, 60, 61, 72, 73, 80 or 81 in the fourth and fifth-digit positions.

Liabilities from paragraph 1 of this Section are disclosed separately in the OR-Dev Form (Schedule 2), under ref. Nos 1.3 and 2.3, and classified by maturity in accordance with Section 2 of these Guidelines.

5. Foreign currency-indexed liabilities (hereinafter: indexed liabilities) in respect of dinar deposits, loans, securities and other indexed liabilities are all liabilities in respect of dinar deposits, loans, securities and other dinar liabilities, including portions of dinar deposits received under transactions performed by the bank on behalf and for the account of third parties that are in excess of the deposit-based investment, as well as exchange rate differentials, relevant interest and fees which are included in the foreign currency reserve base and are indexed to a foreign currency, while accounts in which they are carried have codes 1, 2, 3, 4, 6, 7, 8, E, F, G, H, I, J, K, L, M, N or O in the sixth-digit position.

Liabilities from paragraph 1 of this Section are disclosed separately in the OR-Dev Form (Schedule 2), under ref. Nos 1.4 and 2.4, and classified by maturity in accordance with Section 2 of these Guidelines.

6. Subordinated liabilities exempt from reserve requirements, under the terms of the Decision, represent the total amount of subordinated liabilities initially recognised by the NBS as eligible for inclusion in the bank's Tier 2 capital in accordance with the NBS decision governing the capital adequacy of banks.

7. Liabilities to banks allocating required reserves with the NBS also include liabilities to banks that used to allocate required reserves in line with NBS regulations, but against which bankruptcy or liquidation proceedings were instituted in the meantime. These liabilities mean only the liabilities incurred until the day such proceedings are instituted.

8. The base for the calculation of dinar and foreign currency required reserves is the daily carrying average balance of liabilities established by the Decision in the prior calendar month, carried in the bank's accounts from the account list published on the NBS website, as well as in other accounts in which liabilities to be included in the reserve requirement base in line with the Decision are carried.

The base for the calculation of dinar and foreign currency required reserves does not include liabilities carried in accounts that have code 10 – *central bank* in the fourth and fifth-digit positions, or liabilities relating to domestic banks, and the accounts in which they are carried have code 11 – *banks* in the fourth and fifth-digit positions.

Notwithstanding paragraph 2 of this Section, the base for the calculation of dinar and foreign currency required reserves includes banks' liabilities for issued securities and the accounts in which they are carried have code 11 – *banks* in the fourth and fifth-digit position, in accordance with the SSKR Decision.

The base for the calculation of foreign currency required reserves from paragraph 1 of this Section also includes the daily carrying average balance of deposits, loans and other foreign currency funds received from abroad under transactions performed by a bank on behalf and for the account of third parties in the prior calendar month, which are carried in off-balance sheet records in account group 95.

9. The daily balance of dinar funds in the RTGS-IPS account is the balance of those funds recorded in the statement of that account in accordance with the rules governing the NBS RTGS payment system.

The daily balance of dinar funds in the RTGS-IPS account on a non-business day is the daily balance of those funds on the last business day for which a statement from that account has been submitted.

10. The average daily balance of allocated foreign currency required reserves in the maintenance period shall be in excess of the calculated foreign currency required reserves in that period, within the meaning of Section 12, paragraph 2 of the Decision, if it exceeds 100.49% of the calculated foreign currency required reserves in that period.

11. Banks shall submit to the NBS the following reports:

1) report on the calculation of dinar required reserves – OR-Din Form (Schedule 1);

2) report on the calculation of foreign currency required reserves – OR-Dev Form (Schedule 2);

3) overview of dinar and foreign currency liabilities and interest margins in respect of funds received by banks in accordance with Section 3, item 4) of the Decision – OR-MFO Form (Schedule 3).

Before the end of the calendar month, banks shall notify the NBS if, as of the next maintenance period, they do not intend to calculate the required reserves on the amount of funds from Section 3, item 4) of the Decision. At the same time, they shall submit data on the reinvestment of those funds, particularly data on the sources of funds, the amount of reinvested funds, their purpose, interest rate paid by the bank on those sources of funds, as well as data on average interest margins on loans approved by the bank from other sources of funds.

If the supervision of the submitted and other available data reveals that the condition regarding the reinvestment of funds, within the meaning of Section 3, item 4) of the Decision, has not been met, the NBS shall notify the bank thereof within ten days of the day it received the notification from paragraph 2 of this Section, i.e. when it determines that this condition is no longer met.

The Forms referred to in this Section are enclosed with and integral to these Guidelines.

12. Banks shall submit the reports from Section 11, paragraph 1 of these Guidelines electronically to the NBS – ICT Department, on the 17<sup>th</sup> day of the month, in line with the guidelines regulating the compilation and electronic submission of data to the NBS.

Notwithstanding paragraph 1 hereof, if the 17<sup>th</sup> day of the month falls on a non-business day, banks shall submit the reports referred to in that paragraph on the last business day prior to the day of the required reserves calculation.

13. Banks can access the following data through the web-platform:

- 1) data on the amount of calculated dinar and foreign currency required reserves;
- 2) data on the average daily balance of allocated dinar and foreign currency required reserves on a selected day and or average for the maintenance period;
- 3) data on interest calculated in respect of required reserves and the level of interest rate applied in that calculation.

Access to and the use of the web-platform is regulated in more detail by the web-platform user guide.

For the purpose of using the web-platform, banks shall use the prescribed form (Schedule 4), enclosed with and integral to these Guidelines, to submit to the NBS the internet protocol address (IP address) and the lists of persons authorised to access the web-platform on behalf and for the account of those banks.

Banks shall notify the NBS of any change in the list of persons from paragraph 3 of this Section as soon as such change occurs.

14. A bank that has been granted an operating license after the first day of the calendar month shall submit the report on its first calculation of required reserves against the reserve requirement base which pertains to the next calendar month, i.e. when data on the daily balances of deposits and other items included in the reserve requirement base for all days in the calendar month become available.

Calculated required reserves of a bank founded by a merger of two or more banks and granted an operating licence, as well as of a bank that has obtained approval of the NBS to acquire another bank, shall be the sum of the calculated required reserves of banks that merged or of the acquiring bank and the target bank during the maintenance period in which the funds in such required reserve accounts were merged, whereas the allocated required reserves, from the 18<sup>th</sup> day of the month until the day of the merging of funds in required reserve accounts of such banks shall be the sum of allocated required reserves of banks that merged or of the acquiring and the target bank.

On the 17<sup>th</sup> day of the month, the bank from paragraph 2 of this Section, which underwent a status change, shall submit a report on its first calculation of required reserves to the NBS for the maintenance period following the maintenance period during which the funds in required reserve accounts of such bank were merged.

15. Banks shall allocate the calculated foreign currency required reserves to the NBS's foreign currency accounts abroad, according to the list of accounts determined by the NBS.

16. These Guidelines repeal the Guidelines for Implementing the Decision on Banks' Required Reserves with the National Bank of Serbia (RS Official Gazette, Nos 8/2011, 43/2011, 57/2012, 65/2013, 118/2013, 127/2014, 141/2014 and 114/2017).

17. These Guidelines shall be published in the RS Official Gazette and shall enter into force on 17 October 2018.

D. No 9  
8 October 2018  
Belgrade

G o v e r n o r  
of the National Bank of Serbia

Dr Jorgovanka Tabaković