

Pursuant to Article 15, Paragraph 1 of the Law on the National Bank of Serbia (*"Official Gazette of the Republic of Serbia"*, No. 72/2003, 55/2004 and 44/2010), Article 12, Paragraph 7, Article 16, Paragraph 6, Article 20a, Paragraph 5, Article 52a, Paragraph 9 and Article 53, Paragraph 4 of the Law on Voluntary Pension Funds and Pension Schemes (*"Official Gazette of the Republic of Serbia"*, no. 85/2005 and 31/2011), the Executive Board of the National Bank of Serbia hereby passes the

DECISION
ON MORE DETAILED CONDITIONS FOR ISSUING CERTAIN LICENCES AND
APPROVALS TO A VOLUNTARY PENSION FUND MANAGEMENT COMPANY

Basic Provisions

1. This Decision shall prescribe more detailed conditions and the manner of issuance of an operating licence to a voluntary pension fund management company (hereinafter referred to as: "the operating licence"), licence for managing a voluntary pension fund (hereinafter referred to as: "the fund management licence"), issuance of the approval of the selection of a member of management of a voluntary pension fund management company (hereinafter referred to as: "the management company"), merger procedure of voluntary pension funds (hereinafter referred to as: "the fund"), procedure of assignment of fund management rights from one management company to another, as well as the procedure of voluntary liquidation of a management company.

Issuance of Operating Licence

2. Founders of a management company shall file the application for the issuance of the operating licence to the National Bank of Serbia, accompanied with the following documentation and evidence:

- 1) deed of association of a management company;
- 2) the evidence that the pecuniary portion of share capital has been credited to a temporary account with a bank, with the representation of the origin of funds, pursuant to Article 7, Paragraph 3 of the Law on voluntary pension funds and pension schemes (hereinafter referred to as: "the Law");
- 3) information and evidence relating to shareholders of a management company;
- 4) rules of operations of the management company;
- 5) the business plan for the first three years with a precisely defined business strategy;
- 6) information and evidence on the fulfillment of requirements referred to in Article 15 of the Law relating to proposed members of a management company management;
- 7) evidence of organizational and technical resources of the management company referred to in Article 8 of the Law;
- 8) the evidence of the fulfillment of risk management requirements in a management company.
- 9) evidence that the competent regulatory body in the founder's country of origin approved the participation in the establishment of a management company, and/or evidence that such approval is not required;

10) authorization for the person with whom the National Bank of Serbia will cooperate in the procedure of deciding on the application;

11) other information and documents, upon request of the National Bank of Serbia.

Deed of association

3. A deed of association of a management company shall be made in writing and include the elements prescribed by the law governing companies.

Evidence that the pecuniary portion of share capital has been credited to a temporary account with a bank, with representation on the origin of funds

4. Along with the application for issuance of an operating licence, founders of a management company shall file a certified written representation on funds at their disposal in the amount referred to in Article 7, Paragraph 1 of the Law and that such funds shall be transferred to a temporary account with the bank, and/or separate account with the National Bank of Serbia if a founder is a foreign person, before obtaining an operating licence. The representation shall include the exact amount of stake made by each member of a management company.

Along with the representation referred to in Paragraph 1 hereof, founders shall submit the representation that the funds referred to in that paragraph do not originate in loans or credits and that they have not been encumbered in any way, in accordance with Article 7, Paragraph 3 of the Law.

The representations referred to in Paragraph 1. and 2 hereof shall be provided as individual representations, with a date and signature, and if a founder of a management company is a legal person – the signature must be verified by a seal of that person, unless the legal person comes from the country where such verification is not prescribed by a regulation.

Prior to the issuance of the operating licence, the National Bank of Serbia shall notify the applicant to transfer the funds to the temporary account with the bank, and/or separate account with the National Bank of Serbia and submit the statement of the bank account, and/or the statement of the account with the National Bank of Serbia.

Information on Founders/Shareholders

5. Founders of a management company shall submit the list of founders/shareholder of the management company – natural and legal persons, which includes a surname and address of a shareholder, and/or a business name and seat, with the total nominal amount of shares, percentage of stake in share capital of the management company and the note whether such persons will have unqualified, qualified or substantial stake.

6. The following documents shall be submitted for a shareholder/founder of a management company – a legal person:

- certified photocopy of a decision on registration of this person within the register of economic entities, and/or certified translation of an excerpt from the register in

case of a foreign legal person, with the information on a business activity of such person and on the owners of the person – down to the level of natural persons, and/or market recognized legal persons holding a stake in that person, the absolute amount and percentage of ownership, and/or stake, as well as the information on members of management bodies, and/or supervisory bodies of that legal person and its owners;

- transcript of shareholders from the book of shares, and/or evidence from another adequate public register, if the person is a joint-stock company;
- financial statements, with the opinion of a certified auditor for the past three years,
- the evidence by the competent administration authority on the settlement of due tax liabilities, not older than six months;
- the list of legal persons considered to be related to this person in terms of the Law, including the information whether such person owns, and/or holds a stake in another legal person, and since when, absolute amount and percentage of ownership, and/or stake in capital of another legal person as at the date of submission of application for issuance of an operating licence, and whether and in which amount the other legal person generated profit during the past three years based on such ownership, and/or stake, as well as the information on affiliation on any other ground (agreement on business association or other form of affiliation);
- a short description of business activities of the founder in the past three years and the activity plan for the next three years, as well as the statement on the total indebtedness of this person in local and foreign legal and natural persons, with the specification of those persons and amounts of indebtedness.

The following documents shall be submitted for qualified owners of founders/shareholders of a management company – natural persons and members of management of founders/shareholders of a management company:

- 1) a professional resume which should include the information on his/her business engagement and professional qualifications;
- 2) certified statement of those persons that in the past three years such persons were not members of the management, supervisory board or vested with special authorizations in a legal person in respect of which liquidation, and/or bankruptcy proceedings were instituted,
- 3) certificate issued by the competent authority that such persons have not been effectively sentenced for criminal offences of violation of labour relations, economy, property, judicial system, public order and legal transactions, and/or violation of office, for criminal offences and economic offences under the laws governing securities market, privatization, insurance affairs and banking operation, as well as other punishable acts qualifying him/her as unsuitable for performing such function;
- 4) the list of legal persons in which such persons hold stakes;

Other documentation which the National Bank of Serbia deems necessary shall be submitted for a shareholder - legal person.

7. If a founder of a management company or a shareholder of a founder of a management company is a recognizable legal person in terms of the Law, the following documents shall be submitted apart from the documentation and evidence referred to in Item 6 hereof:

- the list of owners of this person, with the basic information on owners;

- the evidence on credit rating, with the opinion of a rating agency, and/or evidence that it is listed on stock exchange in OECD countries;
- other documentation that the National Bank of Serbia deems necessary.

8. The following documents shall be submitted for a shareholder/founder of a management company – a natural person:

- a professional resume which should include the information on his/her business engagement to-date and professional qualifications;
- certified statement of this person that in the past three years he/she was not a member of the management, supervisory board or vested with special authorizations in a legal person in respect of which liquidation, and/or bankruptcy proceedings were instituted;
- certificate issued by the competent authority that such person have not been effectively sentenced for criminal offences of violation of labour relations, economy, property, judicial system, public order and legal transactions, and/or violation of office, for criminal offences and economic offences under the laws governing securities market, privatization, insurance affairs and banking operation, as well as other punishable acts qualifying him/her as unsuitable for performing such function;
- the evidence by the competent administration authority on the settlement of due tax liabilities, and/or that such person is not a tax payer, not older than six months;
- the list of legal persons in which this person holds a stake, including the information whether such person is a member of management or supervisory bodies, as well as whether he/she is the owner of a legal person, with the indication of an absolute amount and percentage of such ownership, and/or stake in capital of a legal person;
- statement on indebtedness of this person in local and foreign legal and natural persons, with the specification of those persons and amounts of indebtedness;
- data from the identity card, and/or passport to include a unique personal identification number, residence, passport number, date of issuance and validity, and the issuer of the document;
- other documentation that the National Bank of Serbia deems necessary.

9. While assessing the financial position of a founder of a management company of legal persons and all related persons, the National Bank of Serbia shall take into account the profit, financial and operational stability of such persons, and/or tendencies in their business operations and financial status, solvency and liquidity of such persons, position at the market of business activity these persons are engaged in, actually available funds such persons intend to invest in a management company and the possibility of providing additional capital.

While assessing the tendencies in business operations of the persons referred to in Paragraph 1 hereof, the National Bank of Serbia shall take into account a strategic orientation of those persons, and/or reasons for organizing funds and development strategies of such persons in the following three years, including the strategy in relation to the management company.

While assessing the financial standing of founders of a management company – natural persons, the National Bank of Serbia shall assess the origin of assets of such persons.

While assessing the business reputation, qualifications and experience in managing entrusted assets of founders of the management company – legal persons and

all related persons, the National Bank of Serbia shall take into account the capability of such persons to manage risks, quality and expertise of their management based on their total business operations to-date and management of other legal persons, as well as whether investments in ownership stakes in management companies and management of such stakes are their strategic goal clearly visible from business policy decisions and business practice in the past three years, as well as whether such persons in the capacity of owners of a management company will have a long-term positive impact on business operations of the management company.

While assessing the business reputation, qualifications and experience in managing entrusted assets of founders of the management company – natural persons, the National Bank of Serbia shall take into account the capability of such persons to manage risks, as well as whether such persons in the capacity of owners of a management company will have a long-term positive impact on business operations of the management company, based on their professional resumes, their personal, professional and moral integrity, professional qualifications and to-date work experience, management and supervision activities in such persons and other data.

Rules of Operations

10. The rules of operations of a management company shall include the elements prescribed under Article 21 of the Law.

The rules referred to in Paragraph 1 hereof shall specify the investment policy of each fund managed by a management company on a separate basis, which must be in accordance with the Law and decision of the National Bank of Serbia governing more detailed conditions and maximum amounts of investments of the fund's assets, as well as the manner of investing such assets abroad.

Business Plan

11. Within the business plan for the first three years, a management company shall include the information regarding the organization of its work, as well as the information regarding planned financial operations, in particular:

- the number of funds that a management company plans to organize and target groups of clients for such funds;
- optimistic, real and pessimistic projection of balance sheet and income statement of a management company, as well as optimistic, real and pessimistic projection of funds growth, including the number of fund members, net amount of the fund, fees that a management company will charge and other parameters, with the description of assumptions used for all three projections;
- the planned sources of funds for increasing capital of a management company;
- a business strategy which at least must include clearly explained views of a founder of a management company in relation to establishment and improvement of its business operations, including clearly identifiable long-term readiness and ability of founders to ensure the continuity of business operations of the management company;
- business and organizational structure business plan of a management company;
- description of taken and planned activities relating to the establishment of the information system of a management company, and/or development of the system in

accordance with the planned changes in business processes, including the listing of computer and other technical equipment, as well as software solutions intended for use;

– areas of business operations intended to be entrusted to other persons, the list of such persons and the manner in which quality control of rendered services will be conducted.

List of Proposed Members of Management

12. Along with the list of the proposed members of management of a management company the documentation and evidence specified under Item 21 hereof shall be submitted.

*Evidence on Organizational
And Technical Resources*

13. The evidence of fulfilment of requirements regarding organizational and technical resources of the management company shall mean the information on its organizational structure, human resources, information system and the evidence on provided appropriate business premises;

The information on the organizational structure of a management company shall mean motions of internal decisions defining the organizational structure, with a clear indication of activities to be entrusted to other persons in accordance with the Law and draft contracts with such persons.

The information on human resources shall be deemed as follows:

- a proposal of job systematization per employee, with the required qualification structure, work experience for each job and description of each job;
- the list of persons to conduct the activities referred to in Article 8 of the Law – a portfolio manager and internal auditor, with professional resumes of such persons, including the information on their work engagements to-date and evidence that they possess required knowledge;
- the planned dynamics of filling systematized job vacancies, which must be in line with the planned expansion of jobs and organizational network of a management company.

The information on the information system of a management company shall be deemed as follows:

- specification of required computer, communication and other technical equipment, as well as a detailed description of databases and software solutions in accordance with the activities that a management company will conduct;
- the documentation on the manner of providing the equipment – whether it is owned based on a founding stake or on any other legal transaction, on which relevant documentation shall be submitted (e.g., agreement or decision);
- information on the manner of obtaining software solutions – whether they are developed within a management company in which case a description of the applied methodology must be submitted, or they are provided by external suppliers, in which case relevant agreements are submitted;

– motions of internal acts in relation to information system, in accordance with the decision of the National Bank of Serbia specifying minimum requirements regarding organizational and technical resources of a management company.

The evidence on ensuring appropriate business premises shall mean:

– documentation reflecting how business premises have been ensured – whether they are owned by a management company or leased;
 – Evidence that the business premises meet the requirements prescribed by the law regarding technical resources, health and safety, environment protection and improvement (e.g., decision of a competent authority in the procedure of inspection supervision, etc.), as well as the prescribed standards regarding the planned number of employees.

Evidence on Fulfilment of Risk Management Requirements

14. The evidence of the fulfilment of conditions for the risk management within a management company shall mean:

– Proposal of risk management strategy of a management company and the fund, in accordance with the decision of the National Bank of Serbia specifying the requirements regarding risk management in a management company and the fund.
 – proposals of procedures of a management company governing risk management, in accordance with the decision referred to in indent one hereof, other regulations, standards and rules of profession;
 – motions of the management company's acts governing the system of internal controls, in accordance with the decision referred to in indent one hereof.

Evidence that the competent regulatory body approved the participation in the establishment of a management company, and/or evidence that such approval is not required

15. The evidence that the competent regulatory body in the country of origin of a founder of a management company, the founder being a financial sector person, has given its approval to that person to participate in the establishment of a management company in the Republic of Serbia shall mean the certificate of the regulatory body on the approval issued to the founder of a management company that it can be a founder of a management company in the Republic of Serbia.

The evidence that the approval referred to in Paragraph 1 hereof is not required shall mean the certificate issued by the regulatory body referred to in that paragraph that such approval is not required.

Authorized Person with Whom the National Bank of Serbia will cooperate in the procedure of deciding upon the application for the Issuance of Operating Licence

16. The authorization for the person with whom the National Bank of Serbia will cooperate in the procedure of deciding upon the application for the issuance of an operating licence to a management company shall include a date and signatures of all founders, and if a founder of a management company is a legal person – the signature must be verified by a seal of that person, unless the legal person comes from the country

where such verification is not prescribed by a regulation. The authorization shall include the address and a phone number of an authorized person.

Issuance of Management Licence

17. Along with the application for obtaining the licence for managing the fund, the following documentation and evidence shall be submitted to the National Bank of Serbia:

- 1) a draft of a standardized contract of membership in a fund;
- 2) a draft contract with a custody bank;
- 3) the list of persons to perform the functions of portfolio managers of the fund subject to establishment, with professional resumes of such persons;
- 4) a draft of the tariff code;
- 5) a draft of the fund's investment policy;
- 6) authorization for the person with whom the National Bank of Serbia will cooperate in the procedure of deciding on the application;
- 7) other information and documents, upon request of the National Bank of Serbia.

18. If during conducting its business operations a management fund decides to establish another fund, it shall submit the following documents along with the application, documentation and evidence referred to in Item 17 hereof:

- decision of the competent body of a management company on the fund's establishment;
- the business plan of a management company for the next three years, prepared in accordance with this decision, including the business operation of all the funds it manages, and/or it plans to organize;
- documentation prepared in accordance with this decision, including planned organizational and technical adjustments necessary to organize the fund.

19. Together with the draft contract with a custody bank, draft procedures prescribed by the decision of the National Bank of Serbia defining in more detail the frequency, manner and standardized form of custody bank reporting and the manner of adjusting differences between calculated values, and/or yields of the fund, shall be submitted as well.

20. Together with the list of persons to conduct the activities of a portfolio manager of the fund subject to establishment, professional resumes of such persons shall be submitted to include the information on their work engagements to-date and evidence that they possess required knowledge, as well as draft employment agreements with such persons.

Issuance of the Approval of Appointment of a Management Member

21. The following documentation shall be submitted for the issuance of the approval of the National Bank of Serbia on the appointment of a member of a management company management:

- motion of the decision of the competent body of a management company on the appointment of a management member;

- data from the identity card, and/or passport to include a unique personal identification number, residence, passport number, date of issuance and validity, and the issuer of the document;
- certified representation of the proposed candidate on the fulfilment of requirements referred to in Article 15 of the Law, as well as that such person agrees to perform the activity with respect to which the approval is needed;
- professional resume of the proposed candidate to include the information on his/her professional qualifications, previous work experience, and/or engagement, as well as on all the activities such person currently performs while being employed or outside employment relation;
- a recommendation, with the explained opinion, on competencies, capabilities and moral qualities of the proposed candidate, provided by at least two persons performing the activities in the sphere of financial services who have achieved professional and personal reputation by their successful work, and who have used their personal and professional contacts to verify the competencies, capabilities and moral qualities of the proposed candidate;
- certificate issued by the competent authority that such person has not been effectively sentenced for criminal offences of violation of labour relations, economy, property, judicial system, public order and legal transactions, and/or violation of office, for criminal offences and economic offences under the laws governing securities market, privatization, insurance affairs and banking operation, as well as other punishable acts qualifying him/her as unsuitable for performing such function;
- evidence on the university degree of the proposed candidate of the second degree at least, achieved after pursuing academic studies in the country or abroad;
- Evidence that the proposed candidate has at least a three-year experience in performing complex financial-economic affairs in relation to securities in the country or abroad, pursuant to Article 15, Paragraph 4 of the Law;
- a certified statement of the candidate that in the past three years he/she was not a member of the management, supervisory board or vested with special authorizations in a legal person in respect of which liquidation, and/or bankruptcy proceedings were instituted;
- the list of legal persons in which the proposed candidate holds a stake, including the information whether the candidate is a member of management or supervisory bodies, as well as whether he/she is the owner of a legal person, with the indication of an absolute amount and percentage of such ownership, and/or stake in capital of a legal person;
- the evidence by the competent administration authority on the settlement of due tax liabilities, not older than six months;
- other documentation that the National Bank of Serbia deems necessary.

Based on the documentation referred to in Paragraph 1 hereof, as well as on other available information, the National Bank of Serbia shall assess whether the candidates proposed to be management members hold adequate professional qualifications and such business reputation that they will efficiently perform their activities in the management company, and that their selection would ensure adequate protection of interests of the fund members.

The business reputation in terms of Paragraph 2 hereof shall mean that the candidate proposed to be a member of management possesses personal, moral and professional integrity, knowledge and competencies to manage risks to which a management company may be exposed.

If professional qualifications of the proposed candidate are proven by a degree, and/or any other evidence on completed studies, but it cannot be determined for sure whether such qualifications are appropriate – the National Bank of Serbia may request that the management company should obtain the relevant evidence from the competent educational institution in the Republic of Serbia.

A management company shall submit to the National Bank of Serbia the decision of the competent body on the appointment of a member of management of the management company - within three days as of the adoption of such decision.

If the information on qualifications, work engagement and non-conviction for criminal offences have changed – the person who has obtained the approval referred to in this Item shall notify the National Bank of Serbia thereof.

22. The following documentation shall be submitted by the management company along with the application for the issuance of the National Bank of Serbia for re-appointment of a management member (re-appointment):

- motion of the decision of the competent body of a management company on re-appointment of a management member of the management company;
- certificate issued by the competent authority that such person has not been effectively sentenced for a criminal offence to unconditional prison sentence or for a criminal offence qualifying him/her as unsuitable for performing the function of a management member of a management company;
- other documentation that the National Bank of Serbia deems necessary.

Based on the available documentation and the documentation referred to in this item, as well as on other available information - the National Bank of Serbia shall assess the business reputation of the candidate proposed again to be a management member of a management company, as well as whether his/her contribution to-date would ensure adequate protection of interests of the fund members.

A management company shall submit the application regarding re-appointment to the National Bank of Serbia no later than 30 days prior to the expiry of the term of office of the candidate, in order to ensure the approval on re-appointment on a timely basis.

A management company shall submit to the National Bank of Serbia the decision of the competent body on the re-appointment of a member of management - within three days as of the adoption of such decision.

Merger of Funds

23. A merger of funds may be conducted as fusion-absorption or consolidation of funds.

By merger – fusion absorption, a fund shall cease to exist without dissolution while transferring to the other fund (hereinafter referred to as: “the acquiring fund”) all its assets and liabilities.

By consolidation of funds - two or more funds shall cease to exist without dissolution while transferring all their assets and liabilities to a new fund (hereinafter referred to as: " a new fund").

24. Along with the application for the issuance of the licence for merging funds, a management company intending to merge the funds it manages shall submit the following to the National Bank of Serbia:

- 1) a decision of its competent body on merger of funds, which specifies the manner of their merger;
- 2) the plan of merging funds, to include at least:
 - the information regarding the feasibility of merger, which at least include the manner of calculating the value of investment units as at the date of merger and the description of the activities that should be taken during merger procedure by the management company and custody bank,
 - the reasons for merging funds, with the economic feasibility analysis of such merger made based on financial and other reports relating to the period before the date of submission of the application,
 - the analysis of merger consequences that the chosen type of merger will have cause to each fund individually, in particular from the aspect of investment policy and charged fees;
- 3) the business plan of a management company for the next three years, prepared in accordance with this decision;
- 4) a document to include all organizational and technical adjustments required for merger of funds, prepared in accordance with this decision.

If the application referred to in Item 1 hereof refers to the issuance of the licence for merging funds with consolidation, along with the documentation and evidence referred to in that item, the management company shall submit the following documents along with this application:

- 1) a draft of a standardized contract of membership in a fund;
- 2) a draft contract with a custody bank, prepared in accordance with Item 19 hereof;
- 3) the list of persons to perform the function of portfolio managers, in accordance with Item 20 hereof;
- 4) a draft of the investment policy;
- 5) a draft of the tariff code.

25. In order to assess the economic feasibility of merging funds, the National Bank of Serbia may within 15 days as of the receipt of a valid application for merger, require that the management company should submit the additional information and documents within the following 15 days.

The National Bank of Serbia shall pass a decision on the application referred to in Paragraph 1 hereof, within 30 days as of the receipt of the valid application and documents referred to in that paragraph.

26. By passing a decision on issuing the licence for merger of funds, the National Bank of Serbia shall at the same time issue the licence for managing a new fund if the application referred to in Item 24 hereof refers to the issuance of the licence for merger of funds by consolidation.

Upon the receipt of the decision referred to in Paragraph 1 hereof by which a new fund management licence has been issued, a management company shall within eight days as of the receipt of such decision enter into contract with a custody bank on performance of custody services for a new fund and submit it to the National Bank of Serbia.

Immediately upon the receipt of decision referred to in Paragraph 2 hereof, a management company shall notify the National Bank of Serbia on the date of merger of funds, which shall take place within 30 days as of the receipt of such decision.

27. On the date specified for merger of funds, a management company shall transfer the assets and liabilities of funds that cease to exist by merger to the acquiring fund, and/or to a new fund, and the members of funds that cease to exist by merger – shall become the members of the acquiring fund, and/or a new fund.

Within three days as of the date of merger, a management company shall submit the report on the completed merger to the National Bank of Serbia, which shall include at least a comparative review of assets structure of the funds which have ceased to exist by merger and the structure of assets of the acquiring fund, and/or a new fund, net value of assets and investment units of the funds participating in the merger, as well as a comparative review of the number of investment units of each member of the fund established by merger, immediately before and after merger.

28. Within eight days as of the date of merger of funds, a management company shall submit to all the members of the fund that has ceased to exist by merger a notification on whether the members of the fund, if they do not wish to be the members of the fund to which their account has been transferred during the merger procedure, wish that their account should be transferred to another fund – within 60 days as of the receipt of such notification, as well as whether the costs of such transfer shall be covered by the management company that has merged the funds.

29. A management company shall within eight days as of the date of merger of funds submit the prospectus and abbreviated prospectus of the acquiring fund, and/or new fund to the National Bank of Serbia, for the purpose of obtaining its approval.

Assignment of Fund Management Rights and the Procedure of Voluntary Liquidation of a Management Company

30. A management company that intends to assign the fund management rights to another management company – shall submit to the National Bank of Serbia, in cooperation with that company, the application for the issuance of approval of the contract of assignment fund management rights, and attach the following:

- decisions of competent bodies of both management companies on the assignment of management rights, with the explanation of reasons for such assignment and statement on expected effects of such assignment;
- a draft contract of assignment of fund management rights,
- specification of membership contract, and/or pension scheme, constituting an integral part of the contract of assignment of management rights;
- the report reflecting the feasibility of assignment of management rights, which at least include the manner of such assignment and description of the activities that should be initiated by the management company and custody bank during the assignment

procedure, adjusted between the management companies entering the contract of assignment and custody bank;

- amendment to the business plan of the management company to which the management rights are assigned made for the next three years, which includes the elements prescribed under Item 11 hereof;

- a document that should include the planned organizational and technical adjustments in the management company to which the management rights are assigned, which are required due to the assignment of fund management rights, prepared in accordance with Item 13 hereof;

- the authorization for the person with whom the National Bank of Serbia will cooperate in the procedure of deciding on the application;

31. In order to assess the economic feasibility of the assignment of fund management rights, the National Bank of Serbia may within 15 days as of the receipt of a valid application, require that the management companies should submit the additional information and documents, within the following 15 days.

32. The National Bank of Serbia shall pass a decision on the application for the issuance of the approval regarding the contract of assignment of the management rights, within 30 days as of the receipt of the valid application, and/or receipt of information and documents referred to in paragraph 31 hereof.

While deciding in terms of Paragraph 1 hereof, the National Bank of Serbia shall take into account in particular based on the submitted documentation and evidence, as well as on other available information:

- capacity of the management company to which the fund management rights are assigned to fulfil the obligations under the membership contract and pension scheme;
- capacity of the management company with respect to risk management;
- the amount of share capital of the management company;
- adequacy of the manner of protection of interests of members of funds subject to take over.

33. Within eight days as of the issuance of the approval referred to in Item 32 hereof, management companies shall enter into contracts of assignment of fund management rights, and the signatures of parties shall be certified.

The management company to which the fund management rights are assigned shall immediately upon entering the contract of assignment of management rights, at least on its Internet page notify fund members, payers and organizers of pension schemes in the fund subject to assignment – on the procedure of assignment of fund management rights and procedures to follow such assignment (e.g., voluntary liquidation of the company), as well as on their rights regarding such procedures.

34. Within 15 days as of obtaining the approval for the contract of assignment of management rights, the management company to which the management rights are to be assigned shall submit to the National Bank of Serbia the application for the issuance of the licence for the fund management, accompanied by documentation referred to in Article 10, Paragraph 2 of the Law and Item 17 hereof.

Within 30 days as of the date of submission of the application referred to in Paragraph 1 hereof, the National Bank of Serbia shall issue to the management company

to which the fund management right has been assigned, the licence for fund management, taking into account the criteria referred to in Article 12, Paragraph 2 of the Law.

Concurrently with the issuance of the licence referred to in Paragraph 2 hereof, the National Bank of Serbia shall take from the management company assigning the right to fund management the licence for fund management, and/or operating licence if such management company does not manage any other fund, in which case such company shall initiate the voluntary liquidation proceedings in terms of Article 53 of the Law.

35. On the date of issuance of the licence referred to in Paragraph 34, Paragraph 2 hereof – the management company to which the fund management licence has been issued shall undertake all the rights and obligations under the contract of rendering custody services for the fund subject to the assignment.

36. Within eight days as of the receipt of the decision on the issuance of the licence referred to in Item 34, Paragraph 2 hereof, the management company which has been issued the licence shall submit to the National Bank of Serbia the prospectus and the abbreviated prospectus of the fund, for the purpose of obtaining the approval.

Submission of Prescribed Documentation And Evidence of Paid Fees and Taxes

37. The prescribed documentation that should be submitted in accordance with this decision shall be submitted in original or in certified copies thereof, and shall not be older than six months.

The documentation referred to in Paragraph 1 hereof shall be in Serbian, and if it is prepared in a foreign language it shall be accompanied by translation in Serbian language, certified by a court interpreter – along with the original or certified copy of the document.

38. If, upon submission of the application for the issuance of the licence or approval under this decision, and before the National Bank of Serbia has issued such licence, and/or approval, information submitted in the application have changed – the applicant shall immediately notify the National Bank of Serbia thereof and provide new information.

39. The applicants under this decision shall, in terms of this decision, along with the prescribed documentation submit to the National Bank of Serbia the evidence of payment of the fee determined under the decision governing a unique tariff under which the National Bank of Serbia charges fees for rendering services, as well as the evidence on the paid national administrative duty in accordance with the law governing national administrative duties.

40. The management company shall submit the application for registration to the agency in charge of keeping the register of economic entities, with all the amendments with respect to which the approval of the National Bank of Serbia is required, in accordance with the Law and this decision, as well as to submit the evidence on that to the National Bank of Serbia.

Transitory and Final Provisions

41. Procedures for the issuance of licences and approvals initiated until the date of this decision coming into effect shall be terminated in accordance with the regulations effective at the time.

42. This Decision shall be published in "Official Gazette of the Republic of Serbia" and enter into force on 1 September 2011.

Executive Board of the NBS No. 68
11. August 2011

B e l g r a d e

Chairman
of the Executive Board of the National Bank of
Serbia
G o v e r n o r
National Bank of Serbia

Dejan Šoškić, PhD, sign-manual