

Pursuant to Article 81a, paragraph 6 of the Law on Banks (RS Official Gazette, Nos 107/2005, 91/2010, 14/2015 and 19/2025) and Article 15, paragraph 1 of the Law on the National Bank of Serbia (RS Official Gazette, No 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 – CC Decision, 44/2018 and 19/2025), the Executive Board of the National Bank of Serbia hereby issues the following

**D E C I S I O N**  
**ON DETAILED CONDITIONS AND MANNER OF APPOINTING KEY**  
**FUNCTION HOLDERS IN BANKS**

1. This Decision lays down detailed conditions and manner of appointing key function holders in banks.

2. Key functions are the functions with a significant impact on the bank's management and/or operations.

The bank shall identify all key functions, which shall invariably include the functions of the internal controls system within the meaning of the law regulating banks – risk management function, compliance function and internal audit function.

Key functions also include other functions identified by the bank with a significant impact on such bank's management and/or operations (the bank's finances, prevention of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction, corporate and retail operations, cash management, etc.).

Key function holders shall be the managers of the key functions referred to in paragraphs 2 and 3 hereof, if such persons are not members of management bodies of such bank.

3. In its internal acts, the bank shall regulate in particular:

1) the criteria for identifying the key functions referred to in Section 2, paragraph 3 of this Decision;

2) the procedure and criteria for the appointment of key function holders;

3) the procedure of regular and extraordinary assessment of fulfilment of the requirements set out in Section 4 hereof for key function holders;

4) clearly defined powers, obligations and responsibilities of key function holders;

- 5) reasons for the removal of key function holders, manner in which the existence of such reasons is established, and the removal procedure;
- 6) reporting lines to key function holders.

4. A bank shall ensure that key function holders have a good business reputation, appropriate qualifications and experience.

5. A person shall be deemed to have a good business reputation if they have demonstrated in their work so far that they have the personal, moral and professional integrity, ability to efficiently perform their tasks and successfully address the business risks, as well as if they have achieved good results and gained a good reputation in the areas in which they have worked.

The business reputation of the person referred to in paragraph 1 hereof shall be assessed in respect of their overall work experience and engagement, and the achieved business results, taking into account in particular:

1) whether the person has been convicted of any offence, the type of sanction or measure imposed and the time which has lapsed since the sanction or measure was imposed and/or whether proceedings are pending against this person for such offence;

2) whether, according to available information, the legal person in which this person is or was a manager, legal person in which such person is or was a member of management and/or in which this person holds or held controlling participation, has been convicted for any offence, the type of sanction or measure imposed and the time which has lapsed since the sanction or measure was imposed and/or whether proceedings are pending against the person for such offence;

3) whether, according to available information, bankruptcy or court-ordered liquidation was initiated against the legal person in which this person is or was a manager, legal person in which such person is or was a member of a management body and/or in which such person held or still holds significant or controlling participation;

4) whether the accounts of the legal person in which this person is or was a manager, legal person in which such person is or was a member of a management body and/or in which such person held or still holds significant or controlling participation have been blocked;

5) whether the National Bank of Serbia or another competent supervisory authority in the country or abroad have imposed measures against the person or the legal person in which this person is or was a manager, legal person in which this person is or was a member of a management body and/or in which such person held or still holds significant or controlling participation;

6) whether this person, legal person in which this person is or was a manager, legal person in which this person is or was a member of a management body and/or in which the person held or still holds significant or

controlling participation was or currently is on the list of the largest tax debtors published by the Serbian Tax Administration or on the non-performing debtor list in the debt database (Credit Bureau, etc.);

7) whether there are circumstances that could affect the independence of opinion of this person (e.g. shares, other ownership rights and memberships, holdings and other economic interests in legal persons which are bank clients, intellectual property rights, loans approved by the bank to a company owned by such person, personal or professional relationships with persons holding participation in the bank, personal or professional relationship with an employee of the bank and/or member of the banking group, previous employment of that person, personal or professional relationship with relevant external stakeholders, such as material suppliers, consultancies or other service providers, membership or ownership in a legal person which is in the conflict of interests with the bank).

A person shall be deemed not to have good business reputation in the following cases:

1) if they have been convicted by a final judgement of criminal offences against economy, property, legal transactions, public order, official duty or judiciary or criminal offences of money laundering or terrorism financing, or criminal offences for which an unconditional prison sentence has been pronounced or similar or comparable criminal offences in accordance with the regulations of a foreign country;

2) if they have committed, in the last ten years, severe breach and/or repeated breaches of regulations governing the prevention of money laundering, terrorism financing and financing the proliferation of weapons of mass destruction;

3) if they have not achieved appropriate results in the performance of the tasks for which they were employed and/or if measures of the National Bank of Serbia or another competent regulatory authority in the country or abroad have been imposed against such person, making them unfit for discharging a key function.

6. A person shall be deemed to possess appropriate qualifications if they have the education and/or experience enabling them to competently discharge a specific function, as well as to efficiently manage the relevant organisational unit of the bank.

A person shall be deemed to possess appropriate qualifications if they have completed at least the first level of academic studies lasting four years at a minimum, in the areas relevant for the scope of the relevant organisational unit, within the meaning of the law governing higher education.

In addition to the persons referred to in paragraph 2 hereof, the following persons shall also be deemed to be appropriately qualified: a person who completed the first level of academic or professional career studies and has minimum eight years of work experience in the field of financial markets, risk management, management of operating risks of legal persons in the financial sector, strategic planning, corporate governance, business policy or strategy making etc. which the National Bank of Serbia assessed as corresponding to the job of managing the relevant organisational unit in a bank, member of a banking group or other legal person in the financial sector.

7. A person shall be deemed to have appropriate experience if they have had minimum five years of experience working in a legal person in the financial sector or in other jobs which the bank assesses as significant for the discharge of the function of the manager of a specific organisational unit.

8. The bank shall assess the fulfilment of the requirements referred to in Section 4 of this Decision in accordance with the provisions of Sections 5 to 7 of this Decision. In assessing the appropriate qualifications and experience of persons, it shall take into account in particular the scope of the organisational unit and the area of responsibility of the manager to the position of which this person is nominated.

9. The bank shall assess the fulfilment of the requirements set out in Section 4 hereof prior to the appointment of the key function holder and/or prior to submitting to the National Bank of Serbia an application for prior consent to the appointment of the key function holder.

10. The bank shall submit to the National Bank of Serbia an application for prior consent to the appointment of managers of the risk management function, compliance function and internal audit function, in accordance with the decision regulating the granting of a preliminary bank founding permit, bank operating licence and consents and approvals by the National Bank of Serbia.

If the National Bank of Serbia denies the application referred to in paragraph 1 hereof, within no more than 60 days from receiving the decision on such denial, the bank shall submit to the National Bank of Serbia an application for prior consent to the appointment of another person as a manager of that key function, and provide the evidence and documentation prescribed in the decision referred to in that paragraph.

In the case referred to in paragraph 2 hereof, the bank shall designate a person to temporarily discharge the tasks of the manager of the relevant organisational unit until the day of obtaining the prior consent of the National Bank of Serbia to the appointment of that or another nominated person, and shall notify the National Bank of Serbia thereof immediately after receiving the

decision of the National Bank of Serbia denying the application referred to in paragraph 1 hereof.

In selecting the persons to temporarily discharge the tasks of the manager of the relevant organisational unit in accordance with paragraph 3 hereof, the bank shall strive in good faith to ensure that these persons meet the requirements set out in Sections 5 to 7 of this Decision.

The National Bank of Serbia may at any time order the bank to remove the person designated to temporarily discharge the tasks of the manager of the relevant organisational unit in accordance with paragraph 3 hereof, if it assesses that there are circumstances indicating that this person does not meet the requirements set out in Sections 5 to 7 of this Decision or that the person does not appropriately contribute to the performance of a key function in the bank.

11. The bank shall regularly, and once every three years at a minimum, assess the fulfilment of the requirements set out in Section 4 hereof with regard to the appointed key function holders (regular assessment) and notify the National Bank of Serbia of the results of this assessment and the planned measures.

When assessing the business reputation of the person referred to in paragraph 1 hereof, the bank shall take into account in particular the results of such person's work achieved during the period of their management of a specific organisational unit and whether in this period irregularities were detected in the bank's operations coming under the remit of the relevant organisational unit during the supervision procedure of the National Bank of Serbia.

A bank shall, without delay, conduct the assessment of the fulfilment of the requirements set out in Section 4 of this Decision in respect of the persons referred to in paragraph 1 hereof if circumstances and/or events occur which could have or have a significant impact on the bank's operations or bring into question the fulfilment of the requirements set out in that Section (extraordinary assessment).

If, based on the assessment referred to in this Section, the bank establishes that the person referred to in paragraph 1 hereof does not meet all the requirements set out in Section 4 of this Decision, the bank shall timely remove such person and/or timely take additional activities to ensure that this person subsequently fulfils the requirements referred to in that Section, where applicable.

12. Within 30 days from the day of removal or resignation of the key function holder referred to in Section 2, paragraph 2 of this Decision, the bank shall submit to the National Bank of Serbia an application for prior consent to the appointment of another person as a function holder, and provide the evidence and documentation laid down in the decision regulating the granting of a preliminary bank founding permit, bank operating licence and consents and approvals by the National Bank of Serbia.

Within 30 days from the day of removal or resignation of the key function holder referred to in Section 2, paragraph 3 of this Decision, the bank shall appoint another person as the holder of this function.

13. The bank shall notify the National Bank of Serbia of the appointment, removal or resignation of a key function holder within ten days from such appointment, removal or resignation, specifying the reasons for that.

14. The bank shall ensure the continuity of performance of the key functions referred to in Section 2 of this Decision and designate a person to temporarily discharge the tasks under the remit of the key function holder referred to in that Section until the date of appointment of a new key function holder and/or until receiving prior consent of the National Bank of Serbia to the appointment of that or another nominated person as the key function holder referred to herein, and shall notify the National Bank of Serbia thereof without delay.

15. The bank shall notify the National Bank of Serbia of the first appointment of the key function holders referred to in Section 2, paragraph 3 of this Decision at the latest by 5 January 2026.

16. This decision shall enter into force on the eighth day from its publication in the RS Official Gazette and apply as of 1 January 2026.

NBS EB No 45  
12 June 2025  
B e l g r a d e

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

Dr Jorgovanka Tabaković, sign.