

Pursuant to Article 36, paragraph 3 of the Law on Foreign Exchange Operations (RS Official Gazette Nos 62/2006, 31/2011 and 119/2012) and Article 14, paragraph 1, item 9 and Article 34, item 9 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 и 40/2015 – Constitutional Court decision), the Executive Board of the National Bank of Serbia issues

DECISION
ON THE MANNER OF PERFORMING TRANSACTIONS BETWEEN THE
NATIONAL BANK OF SERBIA AND THE TREASURY ADMINISTRATION
THROUGH THE CONSOLIDATED TREASURY ACCOUNT SYSTEM FOR
FOREIGN EXCHANGE FUNDS

Introductory provisions

1. This decision regulates the manner of performing transactions between the National Bank of Serbia (NBS) and the Ministry of Finance – Treasury Administration (hereinafter: Administration) through the consolidated treasury account system for foreign exchange funds (hereinafter: consolidated treasury account system).

The account of the consolidated treasury account system is maintained by the NBS.

2. The account of the consolidated treasury account system shall maintain foreign exchange funds of beneficiaries of the budget funds of the Republic of Serbia, beneficiaries of the funds of mandatory social insurance organisations and beneficiaries of the funds of local government budgets, as well as other public funds beneficiaries included in the consolidated treasury account system whose foreign exchange accounts are held with the Administration (hereinafter: public funds beneficiaries).

The NBS perform international payment transactions for public funds beneficiaries in accordance with the law governing foreign exchange operations and regulations governing international payment transactions.

3. For the purpose of performing transactions referred to in Section 2 hereof, the Administration shall send to the NBS international payment orders received from public funds beneficiaries (hereinafter: order) and scanned accompanying documentation (hereinafter: documentation).

The Administration shall send the order and documentation to the NBS electronically or, exceptionally, for technical reasons, in hard copy.

The order shall be signed by a person authorized to sign orders electronically who is named on the Signature Specimen Card as a person authorized to dispose of foreign exchange funds from the account of the consolidated treasury account system.

The Administration shall ensure that the documentation sent to the NBS along with the order is identical to the original documentation which the public funds beneficiaries submitted to the Administration.

4. In case that the original documentation submitted along with the order contains data which are designated and protected as classified data in accordance with the law governing data secrecy, public funds beneficiaries shall submit such documentation and international payment order directly to the NBS in hard copy, while the Administration shall send to the NBS an electronic message prescribed by the Guidelines referred to in Section 7 hereof.

5. If based on the documentation the NBS establishes that the order does not comply with regulations referred to in Section 2, paragraph 2 of this Decision, the NBS shall not execute the order and shall inform the Administration thereof.

If based on the documentation referred to in Section 4 hereof the NBS establishes that the order from that Section does not comply with regulations referred to in Section 2, paragraph 2 of this Decision, apart from informing the Administration thereof, the NBS shall also inform the public funds beneficiary who submitted such order.

6. The National Bank of Serbia shall keep the orders minimum ten years after their execution, in a form suitable for evidence review.

7. For the purpose of performing transactions from this Decision, the NBS and the Administration shall exchange data electronically through messages whose format and purpose, as well as the exchange schedule, shall be defined in the NBS guidelines and published on its website (hereinafter: guidelines).

Payments and collections under current and capital transactions

8. When effecting international payment transactions, following formal control of the payment order for which funds have been provided, the Administration shall send the order and documentation to the NBS.

When effecting international payment based on the documentation and order referred to in Section 4 hereof, formal control of the documentation and the order shall be performed by the NBS.

9. Upon receiving the order and documentation referred to in Section 8 hereof, the NBS shall check the correctness of the order, particularly as concerns the entry of data defined by the guidelines and the sufficiency of funds in the account of the consolidated treasury account system for the execution of the order. By checking the documentation, the NBS shall determine whether the international payment transaction is in accordance with the regulations governing foreign exchange operations.

10. If the requirements under Section 9 of this Decision have been met, the NBS shall execute the order within the deadline specified in the contract on opening and maintaining the account of the consolidated treasury account system.

11. If the NBS establishes that the order submitted by the Administration is not formally correct, that the funds provided are insufficient to execute the order, that appropriate documentation was not submitted or that the submitted documentation does not correspond to the order, it shall notify the Administration of the need to eliminate the detected irregularity.

If the NBS detects an irregularity referred to in paragraph 1 hereof in the order and documentation from Section 4 hereof, it shall notify the public funds beneficiaries from that Section that the detected irregularity needs to be removed and concurrently notify the Administration that the order cannot be executed until the irregularity is removed.

After the Administration and/or public funds beneficiaries referred to in paragraph 2 hereof have acted in accordance with the notification referred to in paragraphs 1 and 2 hereof and submitted the correct order, the NBS shall execute that order within the deadline referred to in Section 10 of this Decision.

The NBS shall notify the Administration, and/or public funds beneficiaries which submit the documentation in accordance with Section 4 of this Decision that the order was executed no later than the next business day following the execution.

12. When the NBS receives a payment for a public funds beneficiary in its foreign currency account with a foreign bank, it shall notify the Administration thereof, and the Administration shall notify the NBS on the grounds of payment and issue an order to credit the funds to the account of the consolidated treasury account system.

Following the fulfillment of requirements from paragraph 1 hereof, the Administration shall send an order to the NBS regarding the allocation of the funds collected.

13. The NBS shall check whether the notification and order from Section 12 hereof are formally correct, particularly whether they contain the data as stipulated in the guidelines.

14. If the orders from Section 12 hereof are received by 14:30 on a business day, the NBS shall credit the funds on the same business day, whereas if they are received after 14:30, the funds shall be credited the following business day at the latest.

15. If the NBS establishes that the orders from Section 12 hereof are formally incorrect, it shall notify the Administration thereof without delay.

After the Administration submits correct orders from paragraph 1 hereof, the NBS shall execute them within the deadlines set out in Section 14 hereof and shall notify the Administration thereof by no later than the first business day after the receipt of orders.

Payments under foreign credit operations where the Republic of Serbia is a debtor or guarantor and the NBS is the agent

16. The NBS shall notify the Administration of liabilities maturing under foreign credit operations where the Republic of Serbia is a debtor or guarantor, as a rule, 30 days before the payment date or at the latest upon receiving a payment request from the creditor.

The Administration shall send to the NBS an order for the payment of liabilities from paragraph 1 hereof two business days before their maturity.

Sections 8 to 11 of this Decision shall apply accordingly to the execution of orders from paragraph 2 hereof.

Pay-ins and pay-outs in foreign cash

17. When a pay-out is to be effected in foreign cash, the Administration shall send to the NBS an order and documentation, and the NBS, upon receiving the order, shall check its correctness, particularly as concerns the entry of data defined by the guidelines and the sufficiency of funds for the execution of the order. By checking the documentation, the NBS shall establish whether the pay-out is in accordance with the regulations.

If foreign cash for the pay-out from paragraph 1 hereof is provided from a foreign currency account of a public funds beneficiary, the documentation shall be sent to the NBS together with the order, and if foreign cash for the execution of the order is to be provided through purchase, the documentation shall be sent together with the order for currency conversion.

In case that the original documentation submitted along with the order contains the data designated and protected as classified data in accordance with the law governing data secrecy, public funds beneficiaries shall submit such documentation and international payment order directly to the NBS in hard copy, the Administration shall send to the NBS electronic message envisaged in the guidelines referred to in Section 7 hereof, and the NBS shall act in the manner stipulated in paragraph 1 hereof.

18. The NBS shall execute the pay-out order from Section 17 hereof if the requirements from that Section have been met.

The NBS shall pay out foreign cash on the day stipulated in the order from paragraph 1 hereof, and no later than five business days from the day the order was submitted.

If the order referred to in paragraph 1 of this Section and/or order and documentation submitted in accordance with Section 17, paragraph 3 of this Decision are received by 14.30 on a business day, the foreign cash pay-out may be effected on the same day.

19. If the NBS establishes that the pay-out order referred to in Section 17 hereof is not correct, that the funds for its execution have not been provided, that the submitted documentation is inadequate or that the submitted documentation does not correspond to the order, it shall notify the Administration of the detected irregularity.

If the NBS has identified irregularities referred to in paragraph 1 hereof in the order and documentation from Section 17, paragraph 3 of this Decision, it shall notify public funds beneficiaries from Section 17, paragraph 3 of this Decision that they need to remove the identified irregularity and concurrently notify the Administration that the order may not be executed until the irregularity is removed.

The irregularity identified within the meaning of paragraph 1 hereof may be removed by 14.30 if foreign cash is paid out on the same business day and/or by 15.30 if the cash is paid out within the deadline from Section 18, paragraph 2 of this Decision.

If the Administration, and/or public funds beneficiaries referred to in paragraph 2 hereof fail to comply with the paragraph 3 hereof, the NBS shall return at the end of that business day the dinar equivalent of the amount paid-in for the purpose of execution of the order referred to in paragraphs 1 and 2 hereof.

20. When the pay-in is to be effected in foreign cash, the Administration shall send to the NBS the order and documentation, if such documentation is required, and the NBS, upon receiving the order, shall check its correctness, particularly whether it contains the data stipulated in the guidelines. By checking the documentation, the NBS shall establish whether the pay-in of foreign cash is in accordance with the regulations.

In case that the documentation submitted along with the order referred to in paragraph 1 hereof contains data which are designated and protected as classified data in accordance with the law governing data secrecy, public funds beneficiaries shall submit such documentation directly to the NBS in hard copy, the Administration shall send to the NBS electronic message prescribed by Section 7 hereof, and the NBS shall act in the manner specified in paragraph 1 hereof.

21. The NBS shall receive foreign cash based on the order referred to in Section 20 hereof which meets the requirements from that Section, on the day stipulated in the order and no later than ten business days from the date of order submission.

If the order from paragraph 1 hereof and/or the order and documentation referred to in Section 20, paragraph 2 hereof are received by 14.30 on a business day, foreign cash may be received on the same day.

22. If the NBS establishes that requirements referred to in Section 20 hereof have not been met, it shall notify accordingly the Administration and/or public funds beneficiaries referred to in paragraph 2 of that Section.

The Administration and/or public funds beneficiaries referred to in Section 20, paragraph 2 of this Decision may remove the discrepancy referred to in that paragraph by 14.30 if foreign cash is received on the same business day, and/or by 15.30 if it is received within the deadline referred to in Section 21 hereof.

23. The NBS shall not execute the order for paying in foreign cash if the amount and type of foreign cash to be delivered to the NBS do not correspond to the amount and type indicated in the order.

24. In case of an emergency pay-out and/or receipt of foreign cash of which the Administration has notified the NBS, all activities stipulated in Sections 17 to 23 hereof shall be completed on business days by 15.30.

25. The NBS shall pay out and receive foreign cash in its branches in Belgrade, Niš, Novi Sad, Kragujevac and Užice, on business days, from 9.00 to 15.30.

In the case referred to in Section 24 hereof, foreign cash shall be paid out and received exclusively by the NBS Cash Department, on business days until 16.00.

By way of exception, the NBS may change the location of foreign cash pay-out and receipt, of which it shall inform the Administration.

26. At the takeover and/or pay-in of foreign cash, the authorized person designated in orders referred to in Sections 17 and 20 hereof shall present a personal identity document to the authorised person of the NBS. Otherwise, the NBS shall not execute the pay-out and/or allow the collection of foreign cash.

The authorised person referred to in paragraph 1 hereof shall mean a person whom the Administration and/or public funds beneficiaries which submit the documentation pursuant to Section 17, paragraph 3 and Section 20, paragraph 2 of this Decision designated in the orders and/or documentation as the person authorized to collect and/or pay in foreign cash.

The authorised person of the NBS referred to in paragraph 1 hereof shall mean the NBS employee authorised to hand over and/or collect foreign cash.

27. When paying in or paying out foreign cash, the NBS shall issue an appropriate confirmation to the authorized person referred to in Section 26, paragraph 2 of this Decision, regarding the receipt/delivery of such cash, signed by that authorised person and the authorised person referred to in paragraph 3 of that Section.

28. The NBS shall receive and pay out foreign cash – banknotes in types of foreign currency defined in the decision on the types of foreign exchange and foreign cash purchased/sold in the foreign exchange market.

29. The NBS shall receive foreign cash in circulation including also foreign cash to be withdrawn from circulation which the NBS received no later than 30 days prior to such withdrawal.

Upon receiving a notification from the issuing bank on withdrawal of specific banknotes from circulation, the NBS shall notify the Administration thereof.

The NBS shall not receive damaged or non-circulating foreign cash.

If suspect counterfeit banknotes are detected in the processing of foreign cash received, the NBS shall proceed in accordance with the decision on handling suspect counterfeit banknotes and coins and the transaction shall not be executed.

Purchase/sale of foreign exchange and foreign cash

30. The Administration shall submit to the NBS foreign exchange and/or foreign cash purchase orders for which dinar funds have been provided and/or foreign exchange and/or foreign cash sale orders up to the amount of foreign exchange cover in the account of the consolidated treasury account system.

When buying/selling foreign exchange and foreign cash, the NBS shall apply the buying/selling rates stated in its valid exchange rate list and the official middle dinar exchange rate stated in its valid exchange rate list if so prescribed by international contracts/agreements approving donations or loans for budget deficit financing (budget support).

Closing provisions

31. This decision repeals the Decision on the Performance of Transactions Between the National Bank of Serbia and the Treasury Administration Through the Consolidated Treasury Account System for foreign Exchange Funds (RS Official Gazette No 112/2014).

32. This Decision shall come into force on the eight day following the day of its publication in the RS Official Gazette and shall be applied as of 27 February 2017.

NBS Executive Board No 77
10 September 2015

B e l g r a d e

Chairperson
Executive Board of the National Bank of
Serbia

Governor

of the National Bank of Serbia

Jorgovanka Tabaković, PhD