

Based on Article 21, paragraph 2 of the Law on Foreign Exchange Operations (RS Official Gazette, Nos 62/2006, 31/2011 and 119/2012), 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 and 106/2012), the Executive Board of the National Bank of Serbia hereby issues

DECISION
ON THE TERMS AND CONDITIONS OF USING FOREIGN FINANCIAL CREDITS FOR PURPOSES SET OUT IN ARTICLE 21, PARAGRAPH 2 OF THE LAW ON FOREIGN EXCHANGE OPERATIONS

1. The terms and conditions laid down in this Decision shall apply to the use of foreign financial credits and loans in foreign exchange other than those intended for the payment of imports of goods and services, financing of construction works abroad and refinancing of foreign debt.

Residents – banks, legal entities, entrepreneurs and natural persons shall take out financial credits and loans from paragraph 1 hereof (hereinafter: credit) from non-residents – banks, legal and natural persons, while branches of foreign legal entities shall take out credits from their non-resident founders.

2. A credit may be repaid only after the expiration of one year from the date of its disbursement, and if drawn in tranches – after the expiration of one year from the date of the drawdown of each individual tranche.

The repayment in instalments shall begin after the expiration of six months from the date of each drawing and shall be made in pro rata payments until the credit is fully repaid.

2a. Notwithstanding Section 2 hereof, a credit taken out from a non-resident with the head office and/or permanent residence in a European Union member state may be repaid, and/or its repayment may start even before the expiry of deadlines under that Section.

3. A credit may be repaid before the expiration of the deadlines from Section 2 hereof through refinancing if the repayment term of the refinancing credit is the same as or longer than the deadlines set out in that Section.

4. Banks may use credits with a repayment term shorter than one year, in which case they may start repayment before the expiration of six months from the date of disbursement.

Residents – legal entities and entrepreneurs may use credits with a repayment term shorter than one year, for the purposes of financing the

purchase, processing and production of agricultural products or financing exports of goods and services, but may not start repayment before the expiration of three months from the date of each drawdown on the credit.

Notwithstanding paragraph 2 of this Section, repayment under a credit taken out from a non-resident with the head office, and/or permanent residence in a European Union member state for the purposes specified in that paragraph may start even before the expiration of three months from the date of each drawdown on the credit.

4a. The obligation arising from the credit may be terminated by repayment under the terms set out in Sections 2 through 4 hereof, as well as in another manner, in accordance with regulations.

Repayment from paragraph 1 of this Section means payment in accordance with the regulation governing foreign exchange operations.

5. To meet the reporting requirement pursuant to the Law on Foreign Exchange Operations, the residents referred to in this Decision shall submit a copy of the credit agreement to the National Bank of Serbia, and if the agreement does not specify the purpose of the credit, they shall enclose a statement to that effect.

5a. The provisions of this Decision pertaining to credits from non-residents with the head office and/or permanent residence in a European Union member state shall also apply to credits borrowed from an international financial organisation which the Republic of Serbia is a member of or with which the Republic of Serbia has signed an agreement governing its activities in the Republic of Serbia, and whose memorandum of association or an agreement governing its activities in the Republic of Serbia has been ratified.

6. As of the effectiveness hereof, the Decision on the Terms and Conditions of Using Foreign Financial Credits for the Purposes under Article 21, paragraph 2 of the Law on Foreign Exchange Operations (RS Official Gazette, Nos 81/2006, 105/2007, 8/2008 and 44/2009) shall cease to be valid.

7. This Decision shall take effect on the eighth day following its publication in the RS Official Gazette.

NBS EB No 3
17 January 2013
Belgrade

Chair
of the NBS Executive Board
Governor
National Bank of Serbia
Dr Jorgovanka Tabaković, sgd.