

Pursuant to Article 14, paragraph 8, and in relation to Article 42, paragraph 1, item 1 of the Law on the National Bank of Serbia ("RS Official Gazette", No.72/2003), the Monetary Policy Committee of the National Bank of Serbia hereby issues the following

**DECISION
ON TERMS AND CONDITIONS OF DEPOSITING EXCESS LIQUIDITY
WITH THE NATIONAL BANK OF SERBIA BY BANKS**

1. This decision sets forth the terms and conditions of depositing excess liquidity with the National Bank of Serbia by banks.

2. A bank may deposit excess liquidity overnight with the National Bank of Serbia.

3. Pursuant to this decision, banks may deposit their excess liquidity on a special excess liquidity deposit account with the National Bank of Serbia within the RTGS system - account no. 908-88103-91(hereinafter: NBS special deposit account).

4. Pursuant to this decision, a bank may deposit excess liquidity by filing an order to transfer the funds from its own gyro account to the NBS special deposit account, but not later than the expiration of time envisaged for the exchange of payment messages, as specified by operative rules for the real time gross settlement system.

Banks may deposit excess liquidity several times in the course of one business day.

5. The National Bank of Serbia shall return the deposited funds to the bank's gyro account at the latest by 10 a.m. on the business day following the day of depositing.

6. The National Bank of Serbia shall pay interest on the excess liquidity deposit placed within the meaning hereof by applying the rate set out by the decision on the interest rates applied by the National Bank of Serbia in the implementation of monetary policy.

Each business day the National Bank of Serbia shall calculate and pay interest on excess liquidity deposited within the meaning hereof on the preceding business day.

The National Bank of Serbia shall calculate and pay interest referred to in paragraph 2 hereof for all days (business and non-business) within the maintenance period.

7. For the purposes hereof, business days shall be understood to mean days when interbank payment operations are performed through the National Bank of

Serbia in line with regulations governing the operations of the NBS RTGS and clearing system.

9. This decision shall supersede the Decision on the Conditions and Manner of Depositing Banks' Excess Liquidity with the National Bank of Serbia ("RS Official Gazette", No.61/2003).

10. This decision shall enter into force one day after its publication in the "RS Official Gazette", and shall be applied as of 11 May 2004.

NBS MPC No. 4
29 April 2004
Belgrade

Chairperson at the Meeting
of the NBS Monetary Policy Committee
G o v e r n o r
of the National Bank of Serbia

Radovan Jelasic