

Based on Article 14, item 7 of the Law on the National Bank of Serbia ("RS Official Gazette", Nos 72/2003 and 55/2004), the NBS Monetary Policy Committee hereby issues

D E C I S I O N
ON BANKS' REQUIRED RESERVES WITH THE NATIONAL BANK OF
SERBIA IN RESPECT OF FOREIGN CURRENCY BALANCES HELD BY
LEASING COMPANIES IN SPECIAL PURPOSE ACCOUNTS WITH
BANKS

1. Banks shall calculate and allocate required reserves in respect of foreign currency balances held by leasing companies in special purpose bank accounts (hereinafter: leasing required reserves) with reference to the ratio, method and due dates as laid down by this Decision.

Banks, within the meaning of paragraph 1 hereof, shall be banks licensed by the National Bank of Serbia and registered with the competent authority.

2. Banks shall calculate leasing required reserves against liabilities under foreign currency balances held by leasing companies in special purpose accounts opened with banks.

The base for the calculation of leasing required reserves (hereinafter: leasing reserve base) shall be the daily average of reservable liabilities from paragraph 1 hereof in the prior calendar month. The daily average of reservable liabilities shall be expressed in euros; balances denominated in US dollars shall be recalculated to euros each day by applying the official middle exchange rate of the National Bank of Serbia.

All days in the prior calendar month shall be included in the calculation of the daily average of reservable liabilities referred to herein.

3. Banks shall calculate leasing required reserves in euros (hereinafter: calculated leasing required reserves) by applying 100% ratio on the leasing reserve base on the 17th day of the month. Thus calculated leasing reserve requirements shall be reported to the National Bank of Serbia on the same day.

Leasing required reserves calculated as set out in paragraph 1 hereof shall be effective for the maintenance period lasting from the 18th day of the month until the 17th day of the following month (hereinafter: maintenance period).

4. Banks shall allocate the calculated leasing required reserves to foreign currency accounts of the National Bank of Serbia in euros (hereinafter: allocated leasing required reserves).

Notwithstanding paragraph 2 hereof, if allocation of leasing required reserves causes bank foreign exchange risk ratio to deviate from the ratio prescribed by the National Bank of Serbia's decision on risk management, banks may allocate such reserves in US dollars.

5. During the maintenance period, banks shall keep the average daily balance of allocated leasing required reserves at the level of calculated leasing reserve requirements.

The average daily balance of leasing required reserves allocated in US dollars shall be recalculated to euros by applying the official middle exchange rate of the National Bank of Serbia valid on the day of calculation of leasing required reserves, i.e. on the 17th day of the month.

All days of the maintenance period shall be taken into account when calculating the average daily balance of allocated leasing required reserves within the meaning of paragraph 1 hereof.

For the purposes of meeting the average daily balance of allocated leasing required reserves within the meaning of paragraph 1 hereof, the daily balance of allocated leasing required reserves may be either higher or lower than the calculated leasing required reserves.

6. The National Bank of Serbia shall charge interest to banks that fail to meet the average daily balance of allocated leasing required reserves in the calculated amounts over the maintenance period, on the amount of the difference between the calculated and actual average daily balance of allocated leasing required reserves, for each day of the maintenance period by applying the rate set by the decision on interest rates used by the NBS in the implementation of monetary policy.

7. The National Bank of Serbia shall charge interest to banks that have calculated lower amount of leasing required reserves than prescribed hereunder, and shall charge it on the difference between the prescribed and calculated leasing required reserves, by applying the rate set by the decision referred to in Section 6 hereof, for as many maintenance periods to which inaccurate calculation was applicable.

8. The interest from Sections 6 and 7 hereof shall be calculated and collected in euros. It shall be calculated until the end of the month for the prior maintenance period, and collected on the 8th day of the following month at the latest.

9. For the purposes hereof, business days mean days when interbank payments are performed through the National Bank of Serbia in line with regulations on operations of the NBS RTGS and clearing system.

10. The National Bank of Serbia shall issue guidelines for the implementation of this Decision.

11. Banks shall calculate leasing required reserves pursuant to the provisions of this Decision for the first time on 17 April 2010 against the March leasing reserve base.

12. This Decision shall be published in the "RS Official Gazette" and shall enter into force on 17 April 2010.

NBS MPC No 5
5 March 2010
B e l g r a d e

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

Radovan Jelašić, sign.