

Based on Article 15, paragraph 1 and Article 63, paragraph 3 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, 40/2015 – CC decision and 44/2018) and Article 89, paragraph 4, in connection with Article 102, of the Law on Payment Services (RS Official Gazette, Nos 139/2014 and 44/2018), the NBS Executive Board hereby issues

D E C I S I O N
ON THE STANDARDS OF SAFE AND SOUND BUSINESS PRACTICES IN PROVIDING PAYMENT SERVICES THROUGH AN AGENT

1. This Decision lays down the standards of safe and sound business practices of payment institutions, electronic money institutions and the public postal operator (hereinafter: supervised entity) in the part of their operations relating to the provision of payment services through an agent, i.e. the application of internal controls system in this segment of the supervised entity's operation.

2. In case of providing payment services through an agent, the supervised entity shall make sure that its internal controls system enables in particular continuous monitoring of the risks to which it is or may be exposed in connection with the agent's operation, as well as monitoring of the legality, safety and soundness of the agent's business activities relating to the provision of payment services, including compliance of those activities with the regulations governing payment services provision and internal acts of the supervised entity.

The supervised entity shall make an assessment of the internal controls system having regard to the number, locations and business activities of the supervised entity's agent, and shall make sure that the system is adjusted to the number, locations and business activities of the agent, so that it allows effective and efficient management of the risks connected with the agent's operation, as well as adequate, reliable and efficient supervision of the agent's business activities.

3. The supervised entity intending to authorise a particular person to provide one or more payment services in the capacity of its agent in the Republic of Serbia shall conclude with that person an agreement on agency in payment services provision (hereinafter: agency agreement) before submitting the application for entering the agent into the register of payment institutions maintained by the National Bank of Serbia in accordance with the Law on Payment Services.

Along with the application referred to in paragraph 1 hereof, the supervised entity shall submit to the National Bank of Serbia the relevant agency agreement.

4. The supervised entity shall make sure that the agency agreement regulates the rights, obligations and responsibilities of the contracting parties in terms of the application of the supervised entity's internal controls system to the agent's operation. The agency agreement shall lay down in particular:

1) the agent's obligations regarding the application of regulations governing the prevention of money laundering and terrorism financing, the manner of meeting these obligations and a description of the measures of internal controls the agent will be required to have in place in order to meet those obligations;

2) the agent's obligations regarding the application of regulations governing the provision of payment services and the protection of financial services consumers, including the agent's obligation to make the information that it acts in the name and for the account of the supervised entity easily available to payment service users, the manner of meeting these obligations, as well as the measures of internal controls the agent will be required to have in place in order to meet those obligations;

3) the agent's obligations regarding on-site and off-site supervision to be carried out over its operation by the supervised entity;

4) all locations where the agent is to provide payment services, as well as the agent's obligations in the event of changing those locations;

5) all fees to be paid to the agent by the supervised entity on account of agency in payment services provision (hereinafter: commission).

Total commission for agency services, calculated per each executed transaction individually, may not exceed 50% of the fee charged to the payment service user for that particular transaction.

Within the agency agreement or other agreement between the supervised entity and the agent no other fees or charges may be agreed in order to circumvent the commission restriction set out in paragraph 2 of this Section.

5. The supervised entity shall align its internal controls system and existing agency agreements with the provisions of this Decision within six months of its entry into force, and shall notify the National Bank of Serbia thereof by no later than 29 February 2020, by submitting the aligned versions of its internal acts and agency agreements.

6. This Decision enters into force on the eighth day following its publication in the "RS Official Gazette".

NBS EB No 61
8 August 2019
Belgrade

Chairperson
of the NBS Executive Board
Governor
National Bank of Serbia

Dr Jorgovanka Tabaković, sign.