

Pursuant to Article 18, paragraph 1, item 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 and 106/2012) and Article 57, paragraph 3 of the Law on Payment Transactions (FRY Official Gazette, Nos 3/2002 and 5/2003 and RS Official Gazette, Nos 43/2004, 62/2006 and 31/2011), Governor of the National Bank of Serbia issues the following

DECISION
ON THE MANNER OF ENFORCEMENT OF CLAIMS BY DEBITING THE
CLIENT'S ACCOUNT

1. This Decision governs the manner of enforcement of claims by debiting a client's bank account in line with Articles 47-49 of the Law on Payment Transactions (hereinafter: the Law).

For the purposes hereof, a client is a debtor – legal or natural person performing an activity and holding an account with a bank, including the bank holding an account with the National Bank of Serbia (NBS).

2. Execution titles referred to in Article 47, paragraph 1, items 1 and 2 of the Law shall be delivered to the NBS Enforced Collection – organisational unit in Kragujevac which receives, controls and enters execution titles and claim enforcement orders (hereinafter: the Enforced Collection in Kragujevac).

The execution titles referred to in paragraph 1 hereof (hereinafter: execution titles) and enactments on suspension/termination of title execution may be submitted by title issuers electronically, in the form of an electronic document, signed by a qualified electronic signature in accordance with the law governing electronic signature.

By way of exception, title issuers, other than public enforcement officers, who are not technically equipped for submission of electronic documents pursuant to paragraph 2 hereof, may submit the execution titles and enactments on suspension/termination of title execution referred to in that paragraph directly to the Enforced Collection in Kragujevac on business days by 12 a.m. or by mail.

If delivered by mail, as stated in paragraph 3 hereof, all execution titles and enactments on suspension/termination of title execution shall be packed by the issuer in a single parcel. The parcel must contain delivery notes for each title and/or enactment (certified by the signature of an authorized person and stamped by the issuer of the title and/or enactment), and the declaration of the parcel content (ordinal number, reference number of the title and/or enactment – decision etc., signature of an authorized person and stamp of the issuer of the title and/or enactment). The parcel shall be delivered at a post office and, promptly upon its delivery, a copy of the declaration of the parcel content containing the parcel's number shall be submitted electronically to the Enforced Collection in Kragujevac (e.g. by fax or email).

Execution titles delivered by public enforcement officers in the manner specified in paragraph 2 hereof and received by the Enforced Collection in Kragujevac by 12.00 p.m.

on each business day shall be entered in the register of received and returned execution titles on the following business day.

Execution titles received by the Enforced Collection in Kragujevac in the manner specified in paragraph 3 hereof shall be entered in the register of received and returned execution titles on the day of their receipt.

Enactments on suspension/termination received by the Enforced Collection in Kragujevac after 4.00 p.m. hours on each business day shall be entered in the register the following business day.

2a. By way of exception from Section 2 hereof, the Ministry of Finance – the Tax Administration (hereinafter: Tax Administration) shall electronically submit to the Enforced Collection in Kragujevac the decisions on enforced collection of funds of a taxpayer, decisions on the revocation and return of the assigned tax identification number to a taxpayer and decisions on the suspension of the procedure of enforced collection of funds of a taxpayer, in the manner prescribed by the technical guidelines adopted by the NBS.

The decisions on enforced collection of funds of a taxpayer received by the Enforced Collection in Kragujevac by the Tax Administration in the manner specified in paragraph 1 hereof until 12 p.m. each business day shall be entered in the register of received and returned execution titles on the next business day.

The decisions on the revocation and return of the assigned tax identification number to a taxpayer and decisions on the suspension of the procedure of enforced collection of funds of a taxpayer received by the Tax Administration in Kragujevac in the manner specified in paragraph 1 hereof after 4 p.m. each business day shall be entered in the register on the next business day.

By way of exception from paragraphs 1–3 hereof, all execution titles adopted by the Tax Administration and relating to debtors with the registration number which is the same for a larger number of debtors (trade unions, citizens' associations, religious organisations etc.) shall be submitted exclusively in the manner specified in Section 2, paragraphs 3 and 4 hereof.

Decisions and conclusions adopted by the Tax Administration in accordance with regulations governing the tax procedure and tax administration, which relate to the temporary measure of prohibition of the use of funds in the account of a taxpayer, the revocation of the temporary measure, the suspension of the procedure of enforced collection of funds of a taxpayer and the temporary measure of prohibition of the use of funds in the account up to a specified amount, and decisions on enforced collection from reserved funds of a taxpayer shall be submitted to the Enforced Collection in Kragujevac in accordance with Section 2, paragraphs 3 and 4 hereof.

3. Following the receipt of execution titles, the description of the parcel content shall be verified, i.e. compared with the data from the declaration and the delivery note, including the verification of documents submitted electronically. Thereafter, the Enforced

Collection in Kragujevac shall stamp and date the correct copies of the declaration and delivery note for each individual execution title, and shall submit them to the title issuer, i.e. to the sender.

If the Enforced Collection in Kragujevac ascertains a discrepancy between the parcel contents and data in the declaration and delivery note, it shall immediately prepare information thereon and send it to the title issuer, i.e. the sender, for the purpose of eliminating the discrepancy.

If in the course of control the submitted electronic documents are ascertained as incorrect, they shall be returned electronically to their issuers.

The document issuer shall receive the confirmation of the receipt of the electronic document in the form of an electronic note, which can be printed out. The confirmation shall contain data on the time of the receipt, i.e. the day and hour when the electronic transfer data device recorded that the document was sent to the Enforced Collection in Kragujevac.

4. The Enforced Collection in Kragujevac shall keep records of received and returned execution titles in date order. The records shall contain the following:

- ordinal number;
- date of receipt of execution title;
- debtor's name, registration and tax identification number;
- debtor's account number;
- issuer's name, name and reference number of execution title;
- name of creditor – receiver and number of its account;
- note to the returned execution title explaining the reasons for the return and specifying the date of the return.

In addition to the records referred to in paragraph 1 hereof, the Enforced Collection in Kragujevac shall maintain the following records:

- records of received execution orders referred to in Article 47, paragraph 1, item 3 of the Law,
- records of decisions and conclusions establishing the collection of future sporadic inflows,
- records of received complaints regarding the execution of titles and orders referred to in indent 1 of this paragraph,
- records of requests filed with the Treasury Administration Unit for the refund or transfer of public revenue in the claim enforcement procedure,
- records of issued invoices for the collection of fees charged for the issue of certificates at clients' requests.

The NBS shall keep records referred to in paragraph 2 hereof in electronic format.

5. Having entered the execution titles in records as described in Section hereof, the Enforced Collection in Kragujevac shall verify that:

1) the execution title is subject to NBS's responsibility and contains the following:

- issuer's name,
- number and date of execution title,
- issuer's signature and stamp,

2) the title contains the order for handling, with the following data:

- enforcement debtor's name, head office and address,
- enforcement debtor's registration, tax identification and current account numbers,
- the creditor's registration, tax identification and current account numbers; if the creditor is a natural person not engaged in an activity – the natural person's current account number,
- the amount of liability (principal debt, interest and costs),
- the type and level of interest rate and method of interest calculation for the interest accrual period if defined in the execution title,
- model and reference number of the approval for the transfer of funds to the credit of public revenue (taxes, contributions, customs, fees etc),
- budget execution account, derived registration number (based on JBJKS) and name of the direct budget beneficiary, if the enforcement debtor is the Republic of Serbia, autonomous province or a local government unit.

Following the verification referred to in paragraph 1 hereof, the Enforced Collection in Kragujevac shall enter data from the verified execution titles into the claim enforcement database, and/or shall act upon claim enforcement orders.

If enforced collection is not executed against the execution title referred to in paragraph 1, subparagraph 1) hereof or the execution title does not contain all data referred to in subparagraph 2) hereof, it shall be returned to the issuer the same day, with an accompanying letter stating the reasons for the return.

6. After entering in the claim enforcement database the execution titles pertaining to enforcement debtors against whom there are no recorded outstanding execution titles and claim enforcement orders, the NBS – organisational unit in Belgrade in charge of supervision and operational activities (hereinafter: the Enforced Collection in Belgrade) shall order all banks, via the electronic message SMT 713, to block all such debtors' dinar and foreign exchange accounts, prohibit the opening of any new accounts for such debtors and request immediate information on balances in these accounts.

After blocking the debtors' accounts, banks shall use the electronic message SMT 718 to immediately deliver information on balances in clients' accounts (dinar, savings and foreign exchange accounts), as well as on any subsequent changes in those balances.

The electronic message SMT 718 has the designation DDV (dinar demand deposit) in the field 71830, and data on the total amount of dinars in the demand deposit account.

The electronic message SMT 718 has the designation DPD (dinar equivalent of foreign currency) in the field 71830 and data on the total amount of the dinar equivalent of foreign currency funds, at the bank's buying exchange rate applicable at the moment of transmitting the message. The NBS shall receive banks' electronic messages SMT 718 containing data on the dinar equivalent of foreign currency funds on business days from 9.30 a.m. to 4 p.m.

If the debtor has no dinar account with the bank, in the electronic message SMT 718, field 71820, the bank shall enter the number of the dinar account opened for the transfer of the equivalent dinar value of foreign currency from the client's foreign exchange accounts, and/or transfer of dinars from the client's demand deposit accounts. This account shall not be entered in the single register of banks' accounts (RIR) which is maintained by the NBS. At the end of the day, that account must have a zero balance.

The Enforced Collection in Belgrade (via the message SMT 719) shall issue an order for the transfer of funds to the bank in which the debtor has the highest amount of dinar funds. If the debtor does not have sufficient funds in that account, the Enforced Collection shall issue the same order to other banks, in proportion to balances in accounts held with these banks, until the enforcement order is fully executed. If there are no funds in dinar accounts or if they are insufficient for the execution of the enforcement order, all banks with which the debtor has opened foreign currency accounts shall be ordered to carry out the transfer of funds in proportion to the balances therein, until the enforcement order has been fully executed.

Based on the received electronic message SMT 719, banks shall immediately transfer the funds from the debtor's account to the account stated in the message, and instantly inform the Enforced Collection in Belgrade thereof via the electronic message SMT 720.

If the bank fails to carry out the order referred to in paragraph 7 hereof or to transmit a correct electronic message SMT 720 at the latest before 9.15 a.m. on the following business day, the Enforced Collection in Belgrade shall cancel the previously sent electronic message SMT 719 and transmit a new electronic message SMT 719, based on the information on the account balance stated in the new electronic message SMT 718.

The NBS shall prescribe in its guidelines the format and purpose of messages for data exchange between the NBS Enforced Collection and banks.

The electronic exchange of messages for the purpose of data exchange between banks and the Enforced Collection in Belgrade shall be made in accordance with the plan established by the NBS Governor or a person authorized by the Governor.

6a. By way of exception from Section 6 hereof, execution titles relating to debtors with the registration number which is the same for a larger number of debtors (trade unions, citizens' associations, religious organisations etc.) shall be executed in the manner specified in this Section, using a separate form (Annex 1) which is integral to this Decision.

After entering execution titles referred to in paragraph 1 hereof in the records of received execution titles, the Enforced Collection in Kragujevac shall submit by email to all debtor's banks the order to block funds in accounts and to submit to it immediately data on the balance in those accounts.

The Enforced Collection in Kragujevac shall submit by email the execution title with the order in the form referred to in paragraph 1 hereof to the bank in which the debtor has the highest amount of funds in the dinar account.

The Enforced Collection in Kragujevac shall submit by email to other banks of the debtor a written order to transfer the funds in the debtor's account and future inflows to that account to the debtor's account with the bank referred to in paragraph 3 hereof.

The bank referred to in paragraph 3 hereof shall, upon executing the order referred to in that paragraph in its entirety, inform the Enforced Collection in Kragujevac thereof and submit to it evidence thereon (excerpt copies).

7. A payment order to debit the payer's current account based on the matured bill of exchange which the debtor gave to its creditor and which was previously, via the debtor's bank, entered in the register of bills of exchange and mandates kept by the National Bank of Serbia (order referred to in Article 47, paragraph 1, item 3 of the Law and Article 66, paragraph 3 of the law governing payment services) shall be submitted to the bank which keeps the current account of the payer specified in that order. Before executing the order, the bank shall verify that the bill of exchange contains all elements prescribed by the law governing bills of exchange and that it was presented on maturity and shall also verify the correctness of the order.

Enclosed to the order referred to in paragraph 1 hereof, the creditor shall submit to the bank as follows:

- 1) statement in writing confirming that there are no bills of exchange in respect of a guarantee;
- 2) statement in writing confirming that the order relates to bills of exchange of the principal debtor supported by the guarantor's bills of exchange;
- 3) statement in writing confirming that the bills of exchange are those of the guarantor.

A bank cannot refuse to receive the order referred to in paragraph 1 hereof only because after entering the bill of exchange in the register of bills of exchange and mandates kept by the NBS the person authorized to sign bills of exchange in the name and for the account of the debtor changed, or only because the debtor claims that at the moment the bill of exchange was entered in the register, the signer of the bill of exchange was not authorized to assume the bill of exchange obligation in the name and for the account of the debtor.

When transmitting the electronic message SMT 710, the bank which received the bill of exchange referred to in paragraph 2, subparagraph 1) hereof shall enter designation 10

(no guarantee) in the field 71051 (type of document).

When transmitting the electronic message SMT 710, the bank which received the bill of exchange referred to in paragraph 2, subparagraph 2) hereof shall enter designation 20 (guarantee – issued against the principal debtor) in the field 71051 (type of document).

When transmitting the electronic message SMT 710, the bank which received the bill of exchange referred to in paragraph 2, subparagraph 3) hereof shall enter designation 30 (guarantee – issued against the guarantor) in the field 71051 (type of document).

If the funds in the debtor's account (principal debtor and/or guarantor) are sufficient to cover the entire debt amount, the bank shall execute the order referred to in paragraph 1 hereof in full, but if there are no funds or if they are insufficient to cover the order in full, the bank shall not execute it in part, but shall immediately transmit the electronic message SMT 710 to the Enforced Collection in Belgrade enclosing data specified in the order and confirming their authenticity and accuracy, while at the same time specifying that the bank's authorized officers and the bank are held liable for the authenticity and accuracy of those data.

Upon receipt of the electronic message SMT 710, the Enforced Collection in Belgrade shall verify that the message contains the bank's statement in writing referred to in paragraph 6 hereof, and if so, it shall enforce the claim in line with Section 6 of this Decision. Otherwise, the Enforced Collection in Belgrade shall automatically reject the electronic message SMT 710 and transmit the electronic message SMT 796 code 31 to the bank, the receipt of which the bank shall immediately confirm by transmitting the electronic message SMT 710. All electronic messages SMT 710 received later than 3.30 p.m. shall be returned to banks on the same day via the electronic message SMT 796 code 39.

If it subsequently ascertains that it submitted, via the electronic message SMT 710, incorrect data from the order referred to in paragraph 1 hereof (wrong amount, wrong account of the creditor etc) - the bank which entered such order shall submit to the Enforced Collection in Kragujevac the request for correction of such data, together with copies of the order and the bill of exchange.

If it subsequently ascertains that it entered the order referred to in paragraph 1 hereof before the maturity date, the bank entering such order shall submit to the Enforced Collection in Kragujevac the request for termination of the order enforcement procedure. If the bank fails to resume executing the order on the day it matures or over the following two business days, it shall submit the request for withdrawal of the order to the Enforced Collection in Kragujevac.

Following full execution of the enforcement order in respect of bills of exchange, the Enforced Collection in Belgrade shall transmit to banks the electronic message SMT 796 code 37 – order executed in full.

Creditors shall keep special records of claims enforced under this Section, and once the principal debt is collected in full, withdraw orders referred to in paragraph 2, subparagraphs 2) and 3) hereof which have not been executed or have been executed in part only.

8. If the debtor's bank receives a bill of exchange with bill guarantee – bank aval and the enforcement order referred to in Section 7, paragraph 1 hereof from the bill creditor (bill holder) – legal or natural person performing an activity, it shall, prior to the execution of such order, verify that the bill contains all elements prescribed by the law governing bills of exchange and that it is presented on maturity, and it shall also verify the correctness of the order. Along with the bill and the order of enforcement from the debtor's account, its holder shall submit an order for claim enforcement against the avalising bank's account and a statement in writing that the claim should be executed against the bill debtor or avalising bank if there are no funds in the accounts of the bill debtor or if they are insufficient.

If the verification procedure referred to in paragraph 1 hereof shows that the bill of exchange or enforcement order are incorrect, they shall be returned to the person that presented them, with an accompanying letter stating the reasons for the return.

Once it is verified under paragraph 1 hereof that the bill of exchange and enforcement order are correct, and that the funds in the debtor's account are sufficient, the bank shall execute the order in full. If there are no funds in the bill debtor's account or if they are insufficient, the bank shall not execute the enforcement order in part. Instead, it shall act as defined in Section 7 hereof (order enforcement from all debtors' accounts) and immediately submit the bill of exchange and the execution order against the avalising bank to the NBS - Payment System Department – organisational unit in charge of payment system oversight.

If the authenticity of the stamp and signature of the bill debtor is not verified under paragraph 1 hereof, or if the bill debtor's account is blocked on the date of bill maturity, the bank that received such bank-guaranteed bill of exchange shall make payment to the bill creditor if it is at the same time the avaliser on that bill of exchange. If the bank does not execute the bill payment, it shall submit the bill for enforced collection.

9. If the debtor's bank has received from the bill holder a bill of exchange with bill guarantee – aval by a legal person along with the enforcement order referred to in Section 7, paragraph 1 hereof, it shall, prior to the execution of such order, verify that the bill contains all elements prescribed by the law governing bills of exchange, that it was presented on maturity, and shall also verify the correctness of the order.

If it is verified under paragraph 1 hereof that the bill of exchange and enforcement order are correct, and the funds in the debtor's account are sufficient, the bank shall immediately execute the order in full. However, if there are no funds in the bill debtor's account or if they are insufficient, the bank shall act pursuant to Section 7 hereof.

If the bank fails to receive the electronic message 796 code 37 – order executed in full, from the Enforced Collection in Belgrade by 10 a.m. next business day, it shall immediately request from the Enforced Collection in Kragujevac information on the amount executed and request that the order be withdrawn from the claim enforcement procedure. Based on data of the Enforced Collection in Kragujevac on the non-execution or partial execution of payment of the order against the debtor's account, the bank shall transmit another electronic message SMT 710 requesting that the payment in respect of

the bill of exchange be debited from the avalising legal person's account or that the outstanding (unexecuted) portion of the order be debited from the debtor's account, for the purposes of collection from the avaliser's accounts with banks.

If the avalising legal person is not a client of the bank of the principal debtor in whose account there are no funds for the payment of the order referred to in paragraph 1 hereof or if they are insufficient, the bank shall request from the bill holder to pick up the bill and the confirmation of the amount collected against the bill debtor's account. The bill holder shall present the bill, together with the collection order, to the avalising legal entity's bank to act pursuant to Section 7 hereof.

9a. A payment order issued by the creditor to debit the payer's current account based on the matured electronic bill of exchange, including the payment order to debit the guarantor's current account – shall be submitted to the bank which keeps the current account of the payer specified in that order via the Central Register of Electronic Bills of Exchange (hereinafter: Central Register) within the meaning of the decision governing detailed terms and manner of maintaining the Register of Bills of Exchange.

Upon receiving the payment order referred to in paragraph 1 hereof, the bank referred to in that paragraph shall confirm or reject the order receipt via the Central Register.

Prior to executing the payment order referred to in paragraph 1 hereof, the bank referred to in that paragraph shall verify if the electronic bill of exchange was presented on maturity, and it shall verify the correctness of the order.

If, based on the matured electronic bill of exchange, the creditor submits, along with the payment order for collection from the principal debtor, a payment order for collection from the guarantor, the payment order for collection from the guarantor shall be submitted via the Central Register to the guarantor's bank, provided that the payment order for collection from the principal debtor has not been executed in full by 10.00 a.m. of the business day designated as the execution date of that order.

In the case described in paragraph 4 hereof, when enforced collection has been initiated against the principal debtor based on the payment order for collection from that debtor, the order for collection from the principal debtor shall be automatically withdrawn from enforced collection and the payment order for collection from the guarantor shall be submitted to the guarantor's bank, in one of the following two amounts:

- 1) the unexecuted amount of the enforcement order against the principal debtor's account – if the creditor filled in the payment order for collection from the principal debtor and the payment order for collection from the guarantor in the same amount;
- 2) the unexecuted amount of the enforcement order against the principal debtor's account or the amount in which the creditor filled in the payment order for collection from the guarantor, whichever of these two amounts is lower – if the payment order for collection from the principal debtor was filled in a higher amount than the payment order for collection from the guarantor.

The provisions from Sections 7 to 9 hereof shall accordingly apply to the electronic bill of exchange unless otherwise prescribed by the provisions of this Section.

10. When entering execution titles and enforcement orders referred to in Article 47 of the Law, the Enforced Collection in Belgrade shall simultaneously create an order for the payment of the fee for services of claim enforcement, which is charged in line with the decision on uniform fees charged for services provided by the NBS.

11. After the final execution of titles and orders referred to in Sections 6 to 9 hereof, the electronic message SMT 714 on the unblocking of the debtor's account shall be transmitted to banks.

11a. The NBS shall keep records on the number of days during which the debtor's account was blocked.

The records referred to in paragraph 1 hereof shall include data on business name and/or name of the debtor, its registration number, tax identification number (TIN), current account, as well as the initial and final day of account blockage, and those data shall be published on the NBS website. Data on the number of days of account blockage shall be presented for the period of five years preceding the date of submission of the request.

The recorded number of days of account blockage shall be corrected based on the title issuer's decision or decision of other competent authority which repeals, revokes or temporarily revokes the execution title or claim enforcement order based on which the days of account blockage were recorded, and may also be corrected if the debtor proves, by providing certified copies of its bank account statements, that during the period of account blockage the balances in those accounts at the end of the day exceeded the amount of funds blocked. The title issuer's decision and/or decision of other competent authority must contain the NBS order to delete the days of account blockage, recorded based on an execution title or claim enforcement order.

In the event that the number of days of account blockage is recorded based on the creditor's payment order for collection in respect of a matured bill of exchange that the debtor gave to a bank as its creditor – this number can be corrected by means of the NBS decision, based on the bank's request. When deciding on the request, the NBS shall obtain the prior statement on the request from the bank's client (debtor) and may also obtain an additional statement from the bank.

Based on the data from the records referred to in paragraph 1 hereof, at the request of interested parties, the National Bank of Serbia may issue the following certificates:

- certificate that there are no execution titles and orders on record with the enforced collection against a particular debtor;
- certificate on the number of days of account blockage;
- certificate on the priority of collection against a particular blocking order;
- certificate on the total amount of outstanding execution titles and orders on record with the enforced collection;

- certificate on recorded outstanding execution titles and orders – list of all outstanding titles and orders;
- certificate on effected enforced collection of execution titles and orders;
- certificate on executed decision;
- certificate on execution of bill of exchange.

A request for a certificate referred to in paragraph 5 hereof can only be submitted via the National Bank of Serbia website, by filling out data on the debtor and the type of certificate requested, and specifying that the request is filed by a natural or a legal person.

By way of exception from paragraph 6 hereof, trade unions, tenants' assemblies, religious organizations and other legal entities which have the same registration numbers shall submit requests in writing.

The data on the amount of blocked funds and the number of days of account blockage may be provided to registered users also through the system of web services of the National Bank of Serbia.

A certificate referred to in paragraph 5 hereof shall be issued after the applicant has paid the fee prescribed by the decision on uniform fees charged for services provided by the NBS.

12. The Enforced Collection in Kragujevac shall terminate enforced collection once it receives from the title issuer the decision or conclusion about the termination of execution – until the submission of the decision or conclusion about the continuation of execution.

The Enforced Collection in Kragujevac shall suspend enforced collection once it receives from the title issuer the decision or conclusion with the order to suspend execution.

The Enforced Collection in Kragujevac shall halt the collection of the execution title once it receives the request of the enforcement creditor or the public enforcement officer which proves that the proposal for execution has been withdrawn – until the receipt of the decision or conclusion with the order to suspend execution.

The orders referred to in Article 47, paragraph 1, item 3 of the Law shall be suspended on the creditor's request, which is sent to the Enforced Collection in Kragujevac through the creditor's commercial bank, and/or through the Central Register.

13. Where the competent authority's decision orders a temporary measure of providing a particular amount of funds, the enforcement shall be performed by ordering banks to transfer balances from all debtor's accounts to one account, until the amount determined by the decision has been fully provided. The bank where the account is held (in which balances are collected) shall be ordered to prohibit the disposal of thus designated balances until the Enforced Collection in Kragujevac issues a new order.

On receiving the execution decision, the Enforced Collection in Kragujevac shall issue an order to the bank where the debtor's account is held in and in which balances have been

collected as stipulated in paragraph 1 hereof – to transfer these funds to the benefit of the enforcement creditor.

14. If by a decision/enactment of a competent authority it is prohibited to dispose of any balances from the account of the debtor without recorded titles for payment in the enforced collection, the NBS shall order banks in which the debtor has opened accounts to block its accounts and balances thereon.

The NBS shall halt enforced collection against the debtor with recorded titles for payment in enforced collection following the receipt of the decision/enactment referred to in paragraph 1 hereof and shall inform all banks of the prohibition of disposal of balances in the debtor's accounts.

Following the receipt of the decision/enactment of the competent authority on suspension of the prohibition referred to in paragraph 1 hereof, the NBS shall order banks to unblock the accounts referred to in that paragraph. In the event referred to in paragraph 2 hereof, the NBS shall continue with the enforced collection of titles and inform banks of the suspension of the prohibition.

Debtor's balances in the account which is blocked pursuant to the enforcement order referred to in this Section may not be used for other payments of the debtor, unless prescribed otherwise by law.

15. The NBS shall act in accordance with law upon the decision/enactment of the competent authority, which changes the debtor's status in enforced collection due to bankruptcy/reorganisation/restructuring/deletion from registry etc.

The NBS shall, upon the decision/enactment referred to in paragraph 1 hereof, suspend, halt or resume enforced collection, order banks to block/unblock accounts, activate/deactivate titles, change the status of the debtor or titles in enforced collection, or take other appropriate action, in accordance with law.

16. The NBS shall change the status of titles in enforced collection once the creditor is deleted from the relevant register or has no open account, in which case it shall withdraw the title from enforced collection.

17. If it is established in the claim enforcement database that enforcement was made against a wrong debtor, to the benefit of a wrong creditor or in a wrong amount (somebody else's funds in the account), the Enforced Collection in Kragujevac shall without delay request from all banks in which the receiving party has an open account, to refund the wrongly transferred funds and inform it thereof for the purpose of repeating the entry of titles or orders in the claim enforcement procedure.

In the case referred to in paragraph 1 hereof, where the fee from Section 10 of this Decision is charged to a wrong debtor or is overcharged (e.g. charged two or three times on the same grounds), the Enforced Collection shall refund the incorrectly charged fee.

The Enforced Collection shall also refund the charged fee when a bank which made a mistake in payment transaction requests from the Enforced Collection in Kragujevac to repeat the entry of title and order for enforcement of a particular claim, after it has furnished evidence of the refund of wrongly directed funds.

17a. The provisions of this Decision that are applied to collection based on a bill of exchange shall accordingly apply to collection based on a mandate that the debtor granted to its bank and to its creditor and that was entered in the Register of Bills of Exchange by 30 September 2015.

18. The Decision on the Manner of Enforcement of Claims by Debiting Client's Account (RS Official Gazette, No 47/2011) shall be repealed on the date of entry into force of this Decision.

19. This Decision shall enter into force on the day following its publication in the RS Official Gazette.

D. No 1

5 February 2014

Belgrade

Governor

of the National Bank of Serbia

Dr Jorgovanka Tabakovic