

Pursuant to Article 175, paragraph 5 of the Law on Payment Services (RS Official Gazette, No 139/2014) and Article 59, paragraph 2 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 and 40/2015 – decision of CC), the Governor of the National Bank of Serbia hereby issues the

**D E C I S I O N**  
**ON DETAILED CONDITIONS AND MANNER OF SUPERVISION OF**  
**OPERATIONS OF PAYMENT SYSTEMS**

1. This decision sets out detailed conditions and manner of supervision of operations of payment systems (hereinafter: supervision) by the National Bank of Serbia.

2. The aim of supervision shall be to verify compliance of a payment system operator (hereinafter: operator), in the part of its operations relating to the management of payment system operation, including the performance of activities in the system, with the Law on Payment Services (hereinafter: the Law) and regulations adopted under that Law.

3. The National Bank of Serbia shall conduct supervision:

- indirectly (off-site) – by collecting and analysing reports and other documentation and data that the operator is required to submit to the National Bank of Serbia pursuant to the Law and regulations adopted under the Law, and other documentation and/or data on business operations of the operator which are at the disposal of the National Bank of Serbia;
- directly (on-site) – by inspecting business books and other documentation and data of the operator.

In the course of exercising supervision, the National Bank of Serbia may, in the manner stipulated in paragraph 1 hereof, conduct supervision of a person to whom the operator has outsourced some operational activities relating to payment system operation in accordance with the Law and regulations adopted under the Law, as well as other persons related with the operator by property, management and business links.

4. Persons subject to supervision referred to in Section 3 of this Decision shall enable authorised persons of the National Bank of Serbia to exercise supervision smoothly and shall cooperate with them.

Persons referred to in paragraph 1 of this Section shall, upon request of the National Bank of Serbia, submit all requested data and documentation within the time limit specified in that request.

If data and documentation referred to in paragraph 2 of this Article have been prepared in a language other than Serbian, the National Bank of Serbia may request from the operator and/or persons referred to in that paragraph to provide, at their cost, the translation of those data and documentation into Serbian.

5. If, on the basis of available documentation and data on business operations of the operator the National Bank of Serbia has established deficiencies or irregularities in its operations, it shall prepare a report on the findings of such supervision.

Provisions of this Decision pertaining to on-site supervision of the operator shall accordingly apply to further procedure of its off-site supervision.

6. On-site supervision of the operator shall be conducted by the employees of the National Bank of Serbia assigned such task by the decision of the governor of the National Bank of Serbia (hereinafter: authorised persons).

The decision under paragraph 1 of this Article shall specify the operator under supervision and the subject of supervision.

On-site supervision procedure shall commence by the issuance of the decision referred to in paragraph 1 hereof.

The decision referred to in paragraph 1 hereof may be supplemented and/or amended in the course of on-site supervision.

The National Bank of Serbia may engage other persons to be present during on-site supervision in order to provide authorised persons with appropriate expert support.

7. The operator shall enable the National Bank of Serbia to conduct on-site supervision of its operations and/or specific activities at its head office, branches and other organisational parts.

It shall be deemed that the operator has not enabled the National Bank of Serbia to conduct supervision referred to in paragraph 1 of this Decision if it:

- 1) failed to enable authorised persons to inspect, at their request, within a specified time limit, the business books, documentation and data in written and/or electronic form, as well as to access the equipment, databases and computer programs that the operator uses;

2) failed to enable authorised persons to conduct supervision on non-working days and/or outside working hours, when that was necessary because of the scope or nature of supervision;

3) failed to enable authorised persons to access all premises of the operator;

4) failed to enable authorised persons to communicate directly with members of the managing body, managers and responsible employees of the operator;

5) failed to provide necessary technical support to authorised persons during inspection of data and/or business books and documentation where the operator processes data or keeps its business books and other documentation in electronic form;

6) submitted inaccurate or incomplete data to authorised persons intentionally or by gross negligence;

7) failed to provide authorised persons with necessary conditions for the conduct of on-site supervision, including conditions ensuring that employees in the operator or third persons do not disturb them in their work.

8. The authorised persons shall prepare a report on conducted supervision (hereinafter: report on supervision).

The National Bank of Serbia shall deliver the report on supervision to the operator, which may file its objections within 15 business days from the receipt of such report.

The objections from paragraph 2 hereof, relating to factual changes which have arisen in the period after the completion of supervision shall not be considered by the National Bank of Serbia.

Authorised persons shall prepare a supplement to the report on supervision in cases when, after the verification of statements presented in objections from paragraph 2 hereof, it is established that the factual state is materially different from the one stated in the report.

The supplement to the report on supervision shall be delivered to the operator within 15 business days after the filing of objections to the report.

Objections referred to in paragraph 2 hereof shall imply consolidated objections of members of the operator's managing body and the payment system director.

If it establishes, based on the verification of statements contained in the objections to the supervision report, that the operator's objections to the report are unfounded and/or do not materially influence the factual state, the National Bank of Serbia shall make an official record thereof and deliver it to the operator.

The National Bank of Serbia shall not consider the operator's objections to the report on supervision relating to factual changes which have arisen after the supervised period (cut-off date), but it may take them into account when imposing measures under the Law.

9. The National Bank of Serbia shall render a conclusion on termination of the supervision procedure with the operator if no irregularities or deficiencies have been established in the report on supervision, or if the operator, in its objections submitted within the timeframe specified by this Law and this Decision, has successfully disputed all findings in the report on supervision.

The conclusion referred to in paragraph 1 of this Section shall be submitted to the operator.

10. If irregularities or deficiencies in the business operations of the operator have been established in the supervision procedure and/or if it has been established that the operator acted contrary to the Law or regulations adopted under the Law, the National Bank of Serbia shall impose on the operator one of the measures referred to in Article 183, paragraph 1 of the Law, on the basis of the factual state established in the report on supervision.

Irregularities in the operator's business operations shall mean operator's actions contrary to the Law and regulations adopted under the Law, and/or other actions that may jeopardise safe and sound operation of the payment system and interests of participants in that system.

11. The recommendation from Article 184 of the Law shall be given to the operator in whose business operations minor irregularities or deficiencies which do not pose a significant risk to its operation have been established.

The recommendation shall state the time limit for eliminating irregularities and/or deficiencies from paragraph 1 hereof, as well as the time limit in which the operator is to submit to the National Bank of Serbia a report on eliminated irregularities and/or deficiencies, accompanied with relevant evidence.

The National Bank of Serbia shall supervise whether the operator has eliminated the identified irregularities and/or deficiencies following the expiration of the time limit referred to in paragraph 2 of this Section, and/or prior to expiration of that time limit if it receives the operator's report stating that irregularities and/or deficiencies have been eliminated.

After it establishes whether the operator has acted pursuant to the recommendation and to what extent, the National Bank of Serbia shall render a conclusion on termination of the supervision procedure with the operator or

impose on the operator a new measure under Article 183, paragraph 1 of the Law, pursuant to the criteria referred to in Article 191 of the Law.

12. A letter of warning referred to in Article 185 of the Law shall be issued to an operator in whose business operations certain irregularities have been established that do not have a significant and direct impact on its operation, but might have such impact unless eliminated, or to the operator which failed to act in compliance with the recommendation.

The letter of warning shall state the time limit for eliminating irregularities from paragraph 1 hereof, and the time limit in which the operator is to submit to the National Bank of Serbia a report on eliminated irregularities accompanied with relevant evidence.

The National Bank of Serbia shall verify whether the operator has eliminated the identified irregularities following the expiration of the time limit referred to in paragraph 2 of this Section, or prior to expiration of that time limit if it receives the operator's report stating that the irregularities were eliminated.

After it establishes whether the operator has acted pursuant to the letter of warning and to what extent, the National Bank of Serbia shall render a conclusion on termination of the supervision procedure with the operator or impose on the operator a new measure under Article 183, paragraph 1 of the Law, pursuant to the criteria referred to in Article 191 of the Law.

13. If it establishes that an operator did not act in compliance with the Law or regulations adopted under the Law, and/or in compliance with the letter of warning, the National Bank of Serbia shall render a decision imposing on the operator orders and measures to eliminate the established irregularities under Article 186 of the Law.

The decision under paragraph 1 hereof shall order the operator to perform one or more activities referred to in Article 186, paragraph 2 of the Law and shall state the time limits in which the operator is to implement such activities and submit a report on eliminated irregularities, accompanied with relevant evidence.

The National Bank of Serbia shall verify whether the operator has eliminated the identified irregularities following the expiration of the time limit referred to in paragraph 2 of this Section, or prior to expiration of that time limit if it receives the operator's report stating that the irregularities were eliminated.

After it establishes whether the operator has acted pursuant to the decision referred to in paragraph 1 of this Section and to what extent, the National Bank of Serbia shall render a conclusion on termination of the

supervision procedure with the operator and/or or impose on the operator a new measure under Article 183, paragraph 1 of the Law, pursuant to the criteria referred to in Article 191 of the Law.

14. If in the course of supervision procedure the National Bank of Serbia establishes that the operator did not comply with the Law or regulations adopted under the Law, especially if the same violations were committed during a certain period using the same situation, the National Bank of Serbia may impose a fine on the operator, as well as on the member of the managing body and/or the payment system director, by rendering a decision on orders and measures for the removal of identified irregularities referred to in Section 13, paragraph 1 of this Decision, pursuant to Article 187 of the Law.

If the operator, within the time limit specified in paragraph 1 of this Section, fails to provide to the National Bank of Serbia evidence on the removal of irregularities, the National Bank of Serbia shall render a special decision imposing a fine and/or a new fine to the operator and/or a member of the managing body and/or the payment system director, pursuant to Article 187 of the Law.

No later than eight days upon receiving the decision imposing the fine, the operator shall notify the National Bank of Serbia of the date the fine referred to in paragraphs 1 and 2 of this Section was paid to the current account of the National Bank of Serbia.

If the operator, a member of the operator's managing body or the payment system director does not pay the fine referred to in paragraphs 1 and 2 of this Section within the time limit specified in paragraph 3 of that Section, the National Bank of Serbia shall resort to enforced collection.

15. If, on the basis of available data on the operator's business operations, the National Bank of Serbia has established that the operator against whom any of the measures referred to in Article 183, paragraph 1, Sections 1) to 3) of the Law were imposed, has committed a new irregularity, the National Bank of Serbia may take against that operator a new measure referred to in Article 183, paragraph 1 of the Law, in compliance with the criteria referred to in Article 191 of the Law.

16. The National Bank of Serbia shall render a decision on revoking the license for payment system operation in cases prescribed by Article 190, paragraph 1 of the Law and/or may render such decision in cases from paragraph 2 of that Article.

17. The decisions, reports and other acts, as well as notifications, requests and other supervision-related communications of the National Bank of Serbia submitted to the operator shall be considered to have been also submitted to members of the managing body and managers of the payment system and no proof to the contrary shall be admissible.

18. This Decision is published in the RS Official Gazette and shall come into force of 1 October 2015.

Decision No 5  
2 June 2015  
Belgrade

G o v e r n o r  
National Bank of Serbia  
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