

Pursuant to Article 152, paragraph 4, and Article 157, paragraph 4 of the Law on Payment Services (RS Official Gazette Nos 139/2014 and 44/2018) 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, 40/2015 – CC decision and 44/2018), the Governor of the National Bank of Serbia hereby issues

DECISION
ON INITIAL CAPITAL, OWN FUNDS AND CAPITAL REQUIREMENTS OF
A PAYMENT SYSTEM OPERATOR

1. This Decision lays down the elements and method of calculating the initial capital of the legal person referred to in Article 144, paragraph 2, items 4) and 5) and paragraph 3 of the Law on Payment Services (hereinafter: the Law), the method of calculating own funds and capital requirements of a payment system operator (hereinafter: the operator), as well as the manner and timeframe for reporting on own funds and capital requirements.

2. The elements of initial capital and own funds laid down in this Decision shall also be subject to regulations governing the legal position (founding, legal form, etc.) of an operator, and/or regulations governing the chart of accounts and content of accounts in the chart of accounts for operators.

Initial capital

3. During the licensing process, and on the day of receipt of the decision of the National Bank of Serbia on granting the licence, the legal person from Article 144, paragraph 2, items 4) and 5) and paragraph 3 of the Law submitting an application for licence for payment system operation shall have the initial capital which cannot be less than the dinar equivalent of EUR 1,000,000 at the official middle exchange rate.

The elements of the initial capital of the person referred to in Section 1 hereof shall be the following:

- 1) Tier 1 capital;
- 2) reserves;
- 3) retained earnings;
- 4) purchased own shares, as a deductible;
- 5) unrealised losses on securities and other components of other comprehensive income, as a deductible;

6) loss, as a deductible.

Operator's own funds and capital requirements

4. The structure of own funds shall consist of the following:

- 1) Tier 1 capital;
- 2) reserves;
- 3) 50% of the amount of revaluation reserves in respect of revaluation of intangible assets, property, plant and equipment;
- 4) 50% of the amount of unrealised gains on securities and other components of other comprehensive income;
- 5) retained earnings;
- 6) purchased own shares, as a deductible;
- 7) unrealised losses on securities and other components of other comprehensive income, as a deductible;
- 8) loss, as a deductible.

5. The amount of operator's capital requirements shall be 10% of all operator's revenues deriving from the operation of an individual payment system (e.g. fees, commissions, etc.).

6. The method of calculation of initial capital, own funds and capital requirements of an operator is shown in Annex 1, printed herewith and integral hereto.

7. Data for the purposes of calculating own funds and capital requirements laid down in this Decision shall be compiled and disclosed by the operator in its financial statements and separate accounting records submitted to the National Bank of Serbia in accordance with Article 162 of the Law.

8. At the request of the National Bank of Serbia, the operator shall compile and submit in written form a report containing data on own funds and capital requirements calculated in accordance with Annex 1 of this Decision as at the date and within the timeframe determined by the National Bank of Serbia.

9. This Decision repeals the Decision on Initial Capital and Minimum Amount of Own Funds of a Payment System Operator (RS Official Gazette, No 49/2015).

10. This Decision shall enter into force on the eighth day following its publication in the Official Gazette of the Republic of Serbia and shall apply as of 17 March 2019.

D. No 19
14 December 2018
Belgrade

Governor
National Bank of Serbia
Dr Jorgovanka Tabaković