

Pursuant to Article 145, paragraph 1 of the Law on Payment Services (RS Official Gazette No 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 adopts the following

OPERATING RULES OF THE RTGS PAYMENT SYSTEM OF THE NATIONAL BANK OF SERBIA

Introductory provisions

1. These Rules regulate the operation of the payment system for the transfer of dinar funds among system participants through execution of transfer orders on a real time gross settlement (RTGS) basis. The operator and the settlement agent of this system is the National Bank of Serbia (hereinafter: NBS RTGS system). These Rules also regulate the integration of the IPS payment system of the National Bank of Serbia, set up based on the operating rules of IPS system, with the NBS RTGS system.

The execution of transfer orders on an RTGS basis from paragraph 1 of this Section implies the processing and settlement of such orders within the shortest possible time and in the gross amount, in accordance with the Daily Time Schedule of the NBS RTGS System provided in Annex 1 and integral to these Rules (hereinafter: Daily Time Schedule of the NBS RTGS System).

2. For the purposes of these Rules, the following definitions shall apply:

1) *participant* means a person who directly participates in the NBS RTGS system in accordance with these rules and holds a settlement and/or technical account;

2) *settlement account* means an account, within the meaning of these Rules, which the National Bank of Serbia opens, maintains and closes for a participant in the NBS RTGS system, in accordance with regulations;

3) *technical account* means an account which the National Bank of Serbia opens, maintains and closes in the NBS RTGS system for an operator

of another payment system – for the purpose of settling in the NBS RTGS system of financial obligations and/or claims incurred in such other systems among their participants and the balance of which at the opening and closing of the operating day of the NBS RTGS system must be zero;

4) *transfer order* means an instruction by the participant that the amount of dinar funds specified in such instruction be placed at the disposal of the recipient;

5) *recipient* means a participant whose account in the NBS RTGS system is credited during settlement of the transfer order;

6) *account cover* means sufficient balance of funds available in a participant's settlement account, considering the limitations on the use of such funds under these Rules or regulations;

7) *other payment system* means a payment system within which financial obligations and/or claims are incurred among participants in such system, which are then settled in the NBS RTGS system;

8) *financial instruments settlement system* means a system within the meaning of regulations on capital market within which financial obligations in respect of financial instruments are incurred among participants in such system, which are then settled in the NBS RTGS system;

9) *Business Identifier Code (BIC)* means the identification code defined by ISO standard No 9362 used by the participant in the NBS RTGS system;

10) *operating day* means the part of the business day in which transfer orders are executed in the NBS RTGS system and account statements are issued in accordance with the Daily Time Schedule of the NBS RTGS System;

11) *queue* means a mechanism within which received transfer orders of individual participants wait for settlement in the NBS RTGS system in accordance with these Rules;

12) *inability to settle obligations* means a participant's inability to settle its obligations due to the issuance of a decision on licence revocation and/or an act passed by a relevant body to open bankruptcy proceedings or undertake other measures, in accordance with the law, intended to wind up or reorganise the participant and involving the imposition of a ban on the disposal of funds in the account.

3. Activities relating to the operation of the NBS RTGS system in accordance with these Rules shall be performed by the organisational unit of the National Bank of Serbia – Payment System Department.

Requirements for participation in the NBS RTGS system

4. Participants in the NBS RTGS system may be the following:

- 1) National Bank of Serbia;
- 2) bank with its head office in the Republic of Serbia holding an operating licence issued by the National Bank of Serbia, in accordance with the law regulating banks (hereinafter: bank);
- 3) ministry in charge of finance of the Republic of Serbia – Treasury Administration;
- 4) operator of other payment system;
- 5) operator of the financial instruments settlement system – Central Securities Depository and Clearing House and/or other operator of such system – a foreign legal person carrying out clearing and settlement of government securities engaged in accordance with the law governing public debt (hereinafter: foreign legal person).

In accordance with the Operating Rules of the IPS System, participants from paragraph 1, items 2) and 3) of this Section shall at the same time participate in the IPS payment system which is integrated with the NBS RTGS system.

The provisions of these Rules shall apply also to the participant from paragraph 1, item 5) of this Section who is a foreign legal person unless regulated otherwise by the agreement on the connection of that person to the NBS RTGS system referred to in Section 7 hereof.

5. To participate in the NBS RTGS system, the persons from Section 4, items 2) to 5) of these Rules shall file with the NBS an application for connection using the form “Application for Connection to the NBS RTGS System,” provided in Annex 2 and integral to these Rules.

6. For the National Bank of Serbia to connect the persons from Section 5 of these Rules to the NBS RTGS system, they must:

- 1) have the business identifier code (BIC) which shall be used in the NBS RTGS system;
- 2) designate an employee in charge of security and protection of communication in the NBS RTGS system in accordance with these Rules

(hereinafter: security administrator and his deputy) using the form "Security Administrator", provided in Annex 3 and integral to these Rules;

3) designate employees authorized to communicate with the National Bank of Serbia in relation to the operation of the NBS RTGS system using the form "Persons Authorized for Communication with the NBS RTGS System", provided in Annex 4 and integral to these Rules;

4) meet technical requirements for connection to the NBS RTGS system and the submission of transfer orders, i.e. obtain the necessary hardware and install software, in accordance with the technical documentation of the system;

5) perform the testing requested by the National Bank of Serbia.

7. If the National Bank of Serbia finds that the person from Section 5 of these Rules meets the requirements for participation in the NBS RTGS system, such person shall become a participant in this system by concluding an agreement on connection to the NBS RTGS system.

By concluding the agreement referred to in paragraph 1 of this Section, the participant accepts these operating rules and agrees that the National Bank of Serbia may debit its settlement account by the amount of fee for its services provided under these Rules, in accordance with the decision regulating uniform fees charged for services provided by the National Bank of Serbia, as well as by the amount of any shortfall established in accordance with the decision of the National Bank of Serbia regulating cash management.

8. Technical documentation and information relating to the connection to and/or operation of the NBS RTGS system shall be supplied and/or made available by the National Bank of Serbia to applicants for connection to the NBS RTGS system and to participants.

The technical documentation of the NBS RTGS system shall include the guidelines regulating the format and purpose of electronic messages exchanged in the RTGS and clearing payment systems of the National Bank of Serbia (hereinafter: Guidelines), guidelines which regulate the issuing, exchange and protection of transfer orders in electronic form in payment systems of the National Bank of Serbia, as well as the documentation regulating in particular the technical-technological conditions for connection to and participation in the NBS RTGS system which the National Bank of Serbia shall make available to participants on the FTP server of the National Bank of Serbia.

9. For the purpose of settlement of financial obligations of a participant in other payment system through such participant's account in the NBS RTGS system, the operator of such other payment system shall notify the participant that gave its consent to such operator to debit such participant's settlement account in the NBS RTGS system.

The notification from paragraph 1 of this Section shall be submitted in writing, in hard copy, stamped and signed by the legal representative of the operator of such other payment system.

10. Participants are responsible for regular updating of data and information submitted to the National Bank of Serbia in accordance with these rules.

11. The National Bank of Serbia and the participants shall exchange information relating to the operation of the NBS RTGS system using appropriate electronic messages laid down in the Guidelines (hereinafter: the message) or in another way (e.g. by e-mail, fax, etc.)

Settlement accounts and transfer orders

12. Settlement accounts in the NBS RTGS system are as follows:

- 1) current account of the bank;
- 2) consolidated treasury account system for dinar funds;
- 3) other account of the participant maintained by the National Bank of Serbia in accordance with regulations;
- 4) accounts of the National Bank of Serbia.

13. The following transfer orders are executed in the NBS RTGS system:

- 1) order to execute a payment transaction for the purpose of implementation of the monetary policy of the National Bank of Serbia;
- 2) order to execute a credit transfer whereby the participant initiates the transfer of funds, in its name and for its account, as well as for the purpose of executing payment transactions of its payment service users;
- 3) order to execute a direct debit of the participant;
- 4) order in relation to supplying of cash to banks and taking over cash from banks, in accordance with regulations of the National Bank of Serbia;

5) orders to settle financial obligations and/or claims incurred in other payment systems and orders to settle financial obligations in respect of financial instrument transactions;

6) other orders to transfer funds across accounts in the NBS RTGS system, in accordance with regulations.

14. The manner of executing transfer orders in the NBS RTGS system as defined by these Rules shall apply to all transfer orders submitted to this system by participants.

Execution of transfer orders

15. A participant shall submit a transfer order in accordance with the guidelines regulating issuance, exchange and protection of electronic messages in payment systems of the National Bank of Serbia and the Guidelines.

16. A transfer order shall be accepted in the NBS RTGS system if the following requirements are met:

- 1) it is created in a message format defined by the Guidelines;
- 2) it is submitted in accordance with the guidelines regulating issuance, exchange and protection of electronic messages in payment systems of the National Bank of Serbia;
- 3) it is submitted in accordance with the Daily Time Schedule of the NBS RTGS System.

The NBS RTGS system shall reject without delay to accept a transfer order that does not meet the requirements from paragraph 1 of this Section, of which the participant submitting such order shall be notified using an appropriate message in accordance with the Guidelines.

17. The participant shall define the order of execution of transfer orders by assigning a priority designation between 11 and 99, with 11 being the highest and 99 the lowest priority.

18. Priority designations between 1 and 10 are reserved for systemically generated transfer orders of the National Bank of Serbia.

19. Transfer orders shall be settled according to priority and time of receipt (Priority FIFO mechanism – Priority First In, First Out), up to the level of cover provided in the settlement account.

20. A transfer order shall be settled by debiting and/or crediting the settlement account by the amount specified in such order, after which participants will immediately be sent appropriate messages on the settlement performed in accordance with the Guidelines.

A transfer order shall be considered accepted in the NBS RTGS system and irrevocable within the meaning of the law on payment services at the moment when the settlement from paragraph 1 of this Section takes place.

21. A transfer order with a priority designation between 11 and 49 which cannot be executed due to insufficient cover in the settlement account shall be queued in order to be settled, after provision of funds, according to the priority and time of receipt (Priority FIFO mechanism – Priority First In, First Out), until the close of the operating day.

If a transfer order is queued, the participant which submitted such order may either recall it or change its priority designation from within the group of priorities specified in paragraph 1 of this Section using an appropriate message in accordance with the Guidelines and Daily Time Schedule of the NBS RTGS System.

If, at the close of the operating day, the transfer order from paragraph 1 of this Section whose settlement was not performed is still queued, the settlement of such order shall be rejected, whereof the participant which submitted such order shall be notified using an appropriate message in accordance with the Guidelines.

22. A transfer order with a priority designation between 50 and 99 which cannot be executed due to insufficient cover in the settlement account shall be rejected, of which the participant which submitted such order shall be notified using an appropriate message in accordance with the Guidelines.

23. At the close of the operating day, the NBS RTGS system shall inform the participants about the executed transfer orders and transactions in the

settlement account (Account Statement) using an appropriate message in accordance with the Guidelines.

24. For the purpose of settlement of financial obligations and/or claims incurred in another payment system, the operator of such other payment system shall submit transfer orders in an envelope using an appropriate message in accordance with the Guidelines.

Sections 15, 16, 20 and 23 of these Rules shall apply to transfer orders from paragraph 1 of this Section. 15.

The settlement of transfer orders from paragraph 1 of this Section shall be executed simultaneously under the “all-or-none” principle.

Participants may set a limit – reserve funds in the settlement account for the purpose of settling financial obligations incurred in another payment system, in accordance with operating rules of such other systems – using an appropriate message, in accordance with the Guidelines, and such funds may not be used for the execution of other transfer orders in the NBS RTGS system.

If there are insufficient funds for reservation in the participant’s settlement account, the message from paragraph 4 of this Section shall be rejected using an appropriate message in accordance with the Guidelines.

Financial and operational risk management in the NBS RTGS system

25. Each participant shall be responsible for providing cover on the settlement account and/or for reserving funds in such account for the purpose of settlement of financial obligations incurred in other payment systems.

The operator of other payment system may submit the transfer orders from Section 24, paragraph 1 of these Rules only if sufficient funds have been provided in participants’ settlement accounts for the purpose of settlement of such orders in the manner specified in that Section.

26. The National Bank of Serbia shall enable participants to monitor the operation of such system during the operating day, including balances on their

settlement accounts and the status of their transfer orders in such system, as follows:

- 1) in real time through a special Web application;
- 2) on request – using an appropriate message in accordance with the Guidelines.

27. If there is a delay in the settlement of queued transfer orders involving two or more participants, the National Bank of Serbia may activate the system procedure for resolving this situation to which, for the purpose of settlement of the largest possible number of queued transfer orders, the Priority FIFO mechanism from Section 21 of these Rules shall not apply.

Section 21 of these Rules shall accordingly apply to transfer orders not settled by applying the procedure from paragraph 1 of this Section.

28. A participant should ensure the connection with the information infrastructure of the National Bank of Serbia during the operating day of the NBS RTGS system.

29. The participant shall be responsible for adequately protecting the confidentiality, integrity and availability of resources of its information system functionally connected with the NBS RTGS system and shall ensure adequate internal control activities for the purpose of protection from unauthorized access to such resources.

30. The security administrator of a participant shall be in charge of:

- 1) configuring and administering the software provided by the National Bank of Serbia in accordance with the guidelines regulating issuance, exchange and protection of electronic messages in payment systems of the National Bank of Serbia;
- 2) issue and protection of transfer orders in accordance with guidelines on issuance, exchange and protection of electronic messages in payment systems of the National Bank of Serbia and the Guidelines;
- 3) submission of a monthly written report to the National Bank of Serbia.

The report from this Section should contain in particular: information on the implementation of measures laid down in Section 29 of these Rules, records of operational problems in the work of participants, information on

testing implemented in accordance with Section 39 of these Rules, as well as on changes to its information system resources that are functionally connected with the NBS RTGS system.

The security administrator shall submit the report from paragraph 2 of this Section by no later than the 10th day of the month for the prior month.

31. The participant shall ensure the protection of messages defined by the Guidelines in accordance with the guidelines regulating issuing, exchange and protection of messages in payment systems of the National Bank of Serbia.

32. The National Bank of Serbia shall verify messages exchanged with participants pursuant to these Rules, in accordance with the guidelines regulating issuing, exchange and protection of messages in payment systems of the National Bank of Serbia.

33. If regular operation of the NBS RTGS system has been disabled by undesired and unexpected events, the National Bank of Serbia shall take contingency measures and ensure business continuity.

The measures which the National Bank of Serbia may take within the meaning of paragraph 1 of this Section shall include in particular the continuation of work of the NBS RTGS system from a back-up location and/or change of the Daily Time Schedule of the NBS RTGS System.

The National Bank of Serbia shall decide on contingency measures and ensure business continuity by evaluating in particular the possibility that the suspension in operation of the NBS RTGS system may last longer than two hours after the occurrence of the events from paragraph 1 of this Section.

The National Bank of Serbia shall timely notify participants about the occurrence of events from paragraph 1 of this Section and shall submit adequate information, including in particular: description of the event, planned delay in the execution of transfer orders, if possible, and instructions and recommendations for the conduct of the participants.

34. In case of change to the Daily Time Schedule of the NBS RTGS System, the National Bank of Serbia may postpone the start of operation of this system and/or extend its operation, whereof it shall notify participants within the shortest possible time.

The notification from paragraph 1 of this Section shall contain the estimated time of postponement of the start of operation of the NBS RTGS system and/or the duration of extension of its operation.

During extended operation of the NBS RTGS system within the meaning of this Section, all participants may execute transfer orders in this system.

35. If certain data are not available due to the occurrence of the events from Section 33, paragraph 1 of these Rules, the National Bank of Serbia may continue with the operation of the NBS RTGS system on the basis of the latest available data.

In the event from paragraph 1 of this Section, participants shall, at the request of the National Bank of Serbia, resubmit transfer orders and/or carry out other activities considered necessary by the National Bank of Serbia.

36. At the request of the National Bank of Serbia, participants shall participate in regular and ad hoc testing of contingency and business continuity measures, as well as in training or any other preventive activities considered necessary by the National Bank of Serbia.

37. A participant unable to execute transfer orders in the NBS RTGS system due to operational problems shall resolve such problems independently, but is required to notify the National Bank of Serbia thereof without delay.

The security administrator of the participant referred to in paragraph 1 of this Section shall submit a written notification to the National Bank of Serbia on the subsequent business day, containing in particular the description of the operational problem and the manner of its resolution.

The National Bank of Serbia shall enable the participant from paragraph 1 of this Section to execute the transfer order in the manner defined in Section 38 of these Rules.

At the request of the participant having operational problems, the National Bank of Serbia can extend the operation of the NBS RTGS system by no more than an hour from the end of the period specified in the Daily Time Schedule of the NBS RTGS System for the execution of transfer orders, whereof it shall notify participants.

A participant shall fax or email the request for the extension of operation of the NBS RTGS system to the National Bank of Serbia at least 15 minutes before the end of the period specified in the Daily Time Schedule of the NBS RTGS System for the execution of transfer orders, specifying operational problems due to which it requests the extension of operation of the NBS RTGS system and the duration of such extension.

A participant may fax or email a request for the recall of the request from paragraph 5 of this Section at least five (5) minutes before the end of the period specified in the Daily Time Schedule of the NBS RTGS System for the execution of transfer orders.

The requests from paragraphs 5 and 6 of this Section must be signed by the person authorized to dispose of the funds in participants' accounts, and the participant is required to submit original copies of such requests to the National Bank of Serbia on the next business day.

If the participant emails the requests referred to in paragraphs 5 and 6 of this Section, those requests shall be emailed as a scanned original document from the email address of a person in charge of contact with the NBS RTGS system to the email address which the NBS uses to inform participants on the extension of operation of the NBS RTGS system, with prior announcement by phone by the contact person.

During extended operation of the NBS RTGS system, the participant from paragraph 1 of this Section may submit a new request for the extension of operation of the NBS RTGS system, at least five (5) minutes before the end of extended operation of such system, and this request may not be recalled.

Paragraphs 5, 7 and 8 of this Section shall apply accordingly to the submission of requests for the extension of operation of the NBS RTGS system from paragraph 9 of this Section.

The National Bank of Serbia shall reject a request for the extension of operation of the NBS RTGS system which has not been delivered in accordance with this Section.

During extended operation of the NBS RTGS system within the meaning of this Section, all participants may execute transfer orders in this system.

38. If, during the operating day, a participant has operational problems due to which it is unable to electronically execute transfer orders in the NBS RTGS system, such participant may:

- 1) submit transfer orders in hard copy, or
- 2) execute transfer orders through a WEB application, if it is able to start this application, or
- 3) submit transfer orders in electronic form on an appropriate electronic medium, if it is able to prepare them; such orders shall be executed by the National Bank of Serbia, in the name and on behalf of the participant.

The transfer orders from paragraph 1, item 1) of this Section shall be submitted on the form prescribed by the decision regulating the form, content, and manner of using payment order forms for the execution of payment transactions in dinars.

Along with the transfer orders from paragraph 2 of this Section, a request in writing shall also be submitted, including: name of participant, number of account debited on the basis of the transfer order, number of submitted transfer orders, total amount of funds specified in such orders, date, stamp and signature of the person authorized to dispose of the funds in the participant's account.

The execution date specified in transfer orders in hard copy must be identical with the date of the operating day of the NBS RTGS system to which such orders relate.

Transfer orders in hard copy submitted by a participant may contain only numbers of the accounts which are in the NBS RTGS system.

A participant whose account is debited receives message MT900 only – notification of account debit, while the account statement of such participant shall contain data on the transfer order in hard copy which the National Bank of Serbia executed using an adequate message in accordance with the Guidelines.

A participant in this system must ensure that the transfer order submitted in hard copy and the account statement are adequately related (matched).

A participant which can execute transfer orders through a WEB application shall submit to the National Bank of Serbia a request for consent to the execution of such orders through such application.

The request from paragraph 8 of this Section shall be faxed or emailed and must contain the stamp and the signature of the person authorized to dispose of the funds in the participant's account, while the participant has an obligation to submit the original copy of such request on the next business day. In the request, the participant shall specify the time period for which consent to the execution of transfer orders through a WEB application is sought or the manner in which the participant shall agree with the National Bank of Serbia with regard to the time of start/end of execution of the transfer order in this way.

Section 37, paragraph 8 of these Rules shall apply accordingly to the emailing of requests from paragraph 8 of this Section.

After resuming a regular work regime, the participant will receive all messages on the debit and/or credit of its account in accordance with the Guidelines.

The transfer order submitted via a WEB application shall be executed in accordance with operating rules of the NBS RTGS system.

Detailed information relating to the execution of transfer orders in the NBS RTGS system via WEB application shall be included in the technical documentation of the NBS RTGS system referred to in Section 8, paragraph 2 of these Rules (hereinafter: technical documentation of the NBS RTGS system).

The participant shall submit transfer orders in electronic form on an appropriate electronic medium in accordance with the technical documentation of the NBS RTGS system, along with the request in hard copy, containing in particular: the name of the participant, number of submitted transfer orders and total amount of funds from those orders – for each type of message, total number of submitted transfer orders and amount of funds from those orders,

the date, as well as the stamp and signature of the participant's legal representative.

Along with transfer orders on the electronic medium from paragraph 14 of this Section, the participant shall also submit the specification in electronic form containing data on every transfer order that is submitted on that electronic medium, and the format and content of that specification shall be regulated by the technical documentation of the NBS RTGS system.

Transfer orders from paragraph 14 of this Section shall be submitted in accordance with the Guidelines.

The date of execution specified in transfer orders from paragraph 14 of this Section must be identical with the date of the business day of the NBS RTGS system on which those orders are submitted.

The participant may submit its transfer orders and transfer orders of its payment services users in the manner specified in paragraph 14 of this Section.

More detailed information regarding the execution of transfer orders from paragraph 14 of this Section and informing of participants on executed transfer orders shall be contained in the technical documentation of the NBS RTGS system.

On its Internet presentation, the National Bank of Serbia shall publish the e-mail address and telephone numbers at which participants may address the National Bank of Serbia for any additional information relating to the execution of transfer orders in accordance with this Section.

39. The National Bank of Serbia shall enable testing at participant's request during or outside the operating day at a time agreed between the participant and the National Bank of Serbia.

40. In addition to changing the Daily Time Schedule of the NBS RTGS System within the meaning of Sections 34 and 37 of these Rules, the National Bank of Serbia may also change the Daily Time Schedule of the NBS RTGS System when this is necessary for the purpose of implementing monetary policy measures of the National Bank of Serbia and/or measures aimed at preserving financial system stability, of which it shall timely notify the participants.

Conditions and manner of termination of participation in the NBS RTGS system

41. The National Bank of Serbia may exclude a participant from the NBS RTGS system permanently or temporarily in the following cases:

- 1) in case of the participant's inability to settle obligations and/or if conditions are met for account closing laid down in the decision regulating the terms and manner of opening, closing and maintaining current accounts;
- 2) if it does not act in accordance with these Rules;
- 3) if it does not act in accordance with the agreement concluded with the National Bank of Serbia on participation in the NBS RTGS system;
- 4) in any other case which may occur in relation to the participant, if the National Bank of Serbia assesses that this could pose a threat to the safety and soundness of operation of the NBS RTGS system.

In the event from paragraph 1, item 1) of this Section, the National Bank of Serbia shall permanently exclude the participant, of which it shall notify such participant and other participants without delay, after which it shall:

- 1) stop accepting transfer orders from the excluded participant in the NBS RTGS system;
- 2) reject all queued transfer orders of the excluded participant, and any new transfer orders submitted by other participants to the benefit of such participant.

In the case referred to in paragraph 1, item 1) of this Section, the National Bank of Serbia shall be entitled, prior to closing the account of the permanently excluded participant, to enforce its right of pledge in accordance with Sections 54 to 56 of these Rules.

In the cases from paragraph 1, items 2) to 4) of these Rules, the National Bank of Serbia shall caution the participant that there are reasons for temporary exclusion from the NBS RTGS system and shall set a deadline for the participant to eliminate such reasons.

If it fails to eliminate the reasons for temporary exclusion within the set deadline, the National Bank of Serbia shall exclude the participant from the NBS RTGS system temporarily, of which it shall notify such participant and

other participants without delay, after which transfer orders for debiting and crediting of the settlement account of such participant will be temporarily suspended, pending removal of reasons for temporary exclusion, and/or rejected if the participant does not eliminate reasons for temporary exclusion until the close of the operating day.

42. After eliminating the reasons due to which the participant was temporarily excluded from the NBS RTGS system, the National Bank of Serbia will readmit the excluded participant to the system and enable the execution of transfer orders for such participant.

Business day of the NBS RTGS system

43. Within the meaning of these Rules, a business day of the NBS RTGS system shall mean a day other than Saturday, Sunday and official state holidays that are non-business days.

Complaints

44. Participants may submit complaints to the National Bank of Serbia relating to transfer orders executed in the NBS RTGS system.

A participant shall only file a complaint with the National Bank of Serbia if unable to previously resolve the disputable issues relating to such complaint with the other participant.

Complaints shall be filed in writing and must be signed by a person authorized to represent the participant. By way of exception, when a participant needs urgent verification of a transfer order which is the subject of complaint, complaints may also be faxed or emailed, in which case an original copy of such complaint must be submitted on the next day.

Section 37, paragraph 8 of these Rules shall accordingly apply to the submission of complaints from paragraph 3 of this Section.

Complaints must contain all data available to the participant which relate to the subject of the complaint (e.g. account statements, transfer orders, etc.).

If complaints refer to executed transfer orders, along with such complaints the participant shall also submit to the National Bank of Serbia the

SWIFT message using which the transfer order was executed and all other SWIFT messages received and sent in relation with the disputable transfer order.

By way of exception, if it requires urgent verification of the transfer order within the meaning of paragraph 6 of this Section, the participant may also submit the messages from that paragraph electronically.

The National Bank of Serbia shall verify the received complaints and determine whether transfer orders to which complaints relate were processed in the NBS RTGS system, if the amount from the transfer order was transferred to the recipient, when transfer orders were processed, etc.

After verifying the complaints, the National Bank of Serbia shall submit a written reply to the participant, within no later than two business days from the day of receipt of the complaint.

45. Electronic inscription of data – relevant messages on executed transfer orders in the NBS RTGS system which the National Bank of Serbia keeps in accordance with law shall be evidence of execution of a transfer order in such system.

Fees

46. The National Bank of Serbia shall charge a fee for the provision of services defined by these Rules, in accordance with the decision on uniform fees charged for services provided by the National Bank of Serbia and shall be entitled to debit the participant's account maintained with the National Bank of Serbia in order to charge this fee.

Integration of the NBS IPS system with the NBS RTGS system

47. By way of exception from the provisions of these Rules pertaining to the other payment system, for the purpose of execution of transfer orders in the IPS payment system of the National Bank of Serbia (hereinafter: NBS IPS system), in accordance with the operating rules of that system, the NBS IPS system shall be integrated with the NBS RTGS system.

48. For the execution of transfer orders in the NBS IPS system, participants referred to in Section 4, paragraph 1, items 2) and 3) of these Rules shall have another account in the NBS RTGS system, within the meaning of Section 12 of these Rules, which the NBS opens, maintains and closes in accordance with the law governing payment services and these Rules based on the agreement on connection of these participants to the NBS IPS system (hereinafter: RTGS–IPS account).

RTGS–IPS account shall be structured as determined by the decision governing the unique structure of current accounts and the decision governing unique identification numbers of payment service providers (908 – account number – control number). The NBS shall determine the account number in the structure of this account in such a manner that it contains the unique identification number of a participant from paragraph 1 of this Section and designation 55 (00000000XXX55).

For its purposes, the National Bank of Serbia shall also maintain in the NBS RTGS system an RTGS–IPS account of the National Bank of Serbia, accordingly applying paragraph 2 of this Section to the structure of that account.

49. For the purpose of executing transfer orders in the NBS IPS system, the participant from Section 48 of these Rules shall transfer the funds from its account referred to in Section 12, items 1), 2) and 4) of these Rules to its RTGS-IPS account and vice versa (in the case of transferring the funds received in the NBS IPS system to the NBS RTGS system).

The participant from paragraph 1 of this Section shall transfer the funds from that paragraph in accordance with its needs and/or needs of a participant in the NBS IPS system to which it enables the execution of the transfer order in that system, in accordance the system's rules.

The participant shall submit an order for the transfer of funds referred to in paragraph 1 of this Section by an appropriate message in accordance with the Guidelines, accordingly applying provisions of these Rules pertaining to the execution of transfer orders, unless otherwise determined by the provisions of these Rules pertaining to the integration of the NBS IPS system with the NBS RTGS system.

The transfer of funds referred to in paragraph 1 of this Section may be executed during the operating day of the NBS RTGS system, in accordance with the Daily Time Schedule.

The person authorised to dispose with the funds in the RTGS-IPS account of a participant shall be the person authorised to dispose with the funds in the account of that participant referred to in Section 12, items 1), 2) and 4) of these Rules.

50. The funds in the RTGS-IPS accounts of participants referred to in Section 48 of these Rules shall be used to execute transfer orders in the NBS IPS system through separate accounts of participants in that system which are, through integration of the NBS IPS system with the NBS RTGS system via the built-in interface connected with the RTGS-IPS accounts in accordance with the operating rules of the NBS IPS system.

It shall be considered, taking into account paragraph 1 of this Section:

1) that the funds held in the RTGS-IPS account of a participant from paragraph 1 of this Section are held also in the NBS IPS system and based on those funds, transfer orders in the NBS IPS system are executed via the separate account of the participant in that system which is connected with this RTGS-IPS account in accordance with the operating rules of the NBS IPS system;

2) that at the moment of execution of a transfer order in the NBS IPS system, in accordance with that system's rules, that order shall also be accepted in the NBS RTGS system and irrevocable within the meaning of the law on payment services;

3) that the funds reserved in a separate account of a participant in the NBS IPS system shall, in accordance with that system's rules, also be reserved in the RTGS-IPS account of the participant from paragraph 1 of this Section with which that separate account is connected in accordance with the operating rules of the NBS IPS system.

In order to enable participants from Section 48 of these Rules, in line with their needs and needs of other participants in the NBS IPS system to which they enable the execution of transfer orders in the NBS IPS system, in accordance with the operating rules of that system – to manage appropriately financial risk related to executing transfer orders in the NBS IPS system, as well as to transfer the funds received in the NBS IPS system to the NBS RTGS

system – the balances of RTGS–IPS accounts in the NBS RTGS system shall be established during the operating day of that system, in accordance with the Daily Time Schedule.

The balances of the RTGS–IPS accounts referred to in paragraph 3 of this Section shall be established by applying the systemic procedure which, taking into account paragraphs 1 and 2 of this Section, includes the difference between credits and debits on all individual accounts in the NBS IPS system that are linked to the RTGS-IPS account whose balance is established, these credits and debits having been executed in the period from the last determination of the balance until the new determination of the balance on the account.

51. In the case when the participant referred to in Section 48 of these Rules submits an order for the transfer of funds received in the NBS IPS system to the NBS RTGS system within the meaning of Section 49 of these Rules for the execution of which there is insufficient cover in the RTGS-IPS account of that participant – the NBS RTGS system shall promptly reject that order of which the participant sending the order shall be informed by an appropriate message, in accordance with the Guidelines.

The cover in the RTGS-IPS account referred to in paragraph 1 of this Section, at the moment of checking that cover, shall not include the funds debited in each individual account of participants in the NBS IPS system that is linked to that RTGS-IPS account and the funds reserved in that individual account, given Section 50 of these Rules.

52. Section 23 of these Rules shall accordingly apply to the submission of information on executed transfer orders and changes in the RTGS-IPS account.

The balance on the RTGS-IPS account determined and stated in the account statement in accordance with paragraph 1 of this Section shall be taken into account when applying the regulations governing the conduct of monetary policy of the National Bank of Serbia.

For the purpose of applying the regulations referred to in paragraph 2 of this Section, it shall be considered that transfer orders executed in the NBS IPS system in the period after the submission of the account statement from paragraph 1 of this Section until the first next business day of the NBS RTGS

system, are executed in the NBS RTGS system on that day, regardless of the day on which those transfer orders are considered executed in the NBS IPS system.

53. In the case of permanent exclusion of a participant referred to in Section 48 of these Rules from the NBS RTGS system – the National Bank of Serbia shall act in accordance with Section 41 of these Rules taking into account the provisions of Section 50 of these Rules, by applying appropriate internal procedures while ensuring the preservation of safe and sound operation of the NBS RTGS system and the NBS IPS system that is integrated with it.

Collateral

54. In accordance with the law governing payment services and the law governing financial collateral, the National Bank of Serbia shall have the right of pledge over funds in all participant's accounts in the NBS RTGS system, in accordance with these Rules (hereinafter: accounts), for the purpose of securing all current and future claims of the National Bank of Serbia on that participant stemming from its participation in this system.

The National Bank of Serbia shall acquire the right of pledge over funds in paragraph 1 of this Section by crediting those funds in accounts of participants from that paragraph, i.e. all funds that are credited to the accounts of participants from that paragraph shall be irrevocably pledged without limitation as collateral for the National Bank of Serbia's claims in accordance with these Rules.

Taking into account Section 47 of these Rules, the National Bank of Serbia shall have the right of pledge over funds referred to in paragraph 1 of this Section, with regard to the participant from that paragraph, for the purpose of securing its claim on the participant related to the participant's participation in the NBS IPS system, by accordingly applying the provisions of these Rules on the right of pledge over the participant's funds that are held in its accounts in the NBS RTGS system.

The National Bank of Serbia shall have the right of pledge referred to in this Section even in case when its claims are contingent or not yet due.

The National Bank of Serbia may settle its due claim, without prior notification, from the pledged funds by debiting any account of the participant from paragraph 1 of this Section by any amount which that participant owes to the National Bank of Serbia in relation to its participation in NBS RTGS and NBS IPS payment systems.

55. Taking into account Section 47 of these Rules, the National Bank of Serbia shall have the right of pledge over all funds that are held in the RTGS-IPS account of a participant from Section 54, paragraph 1 of these Rules, for the purpose of securing its claim on that participant in relation to participation in the NBS IPS payment system and application of the systemic procedure of establishing the balance in the RTGS-IPS account in accordance with Section 50 of these Rules, by accordingly applying provisions of Section 54 of these Rules.

56. In the case referred to in Section 41, paragraph 1, item 1), and taking into account Section 55 of these Rules, the National Bank of Serbia shall first apply the systemic procedure of establishing the balance in the RTGS-IPS account and realise its right of pledge referred to in that Section, after which it shall realise its right of pledge referred to in Section 54 of these Rules.

57. Taking into account Section 47 of these Rules, the provisions of Sections 54 to 56 of these Rules on acquiring and realising the right of pledge of the National Bank of Serbia shall accordingly apply also in the case when the conditions are fulfilled for permanent exclusion from the NBS IPS system due to the cessation of validity of the operating licence of the participant in the system to which the participant from Section 54, paragraph 1 of these Rules enables the execution of transfer orders in accordance with the operating rules of that system.

Fines

58. Separately from applying Section 41 of these Rules, the National Bank of Serbia may impose a fine on the participant which fails to act in accordance with the obligation established by these Rules or the agreement on connection to the NBS RTGS system concluded with the National Bank of Serbia, and it shall be entitled, for the purpose of collecting that fine, to debit the participant's account maintained with the National Bank of Serbia.

If it finds that the participant failed to act in accordance with the obligation referred to in paragraph 1 of this Section, the National Bank of Serbia shall issue an order for complying with that obligation and specify the deadline for executing the order.

If the participant fails to comply with the order from paragraph 2 of this Section or violates again the obligation to which the order pertains, the National Bank of Serbia may fine the participant RSD 200,000.00, along with sending another order for complying with the obligation and specifying the deadline for the execution of the order.

If the participant fails to comply with the new order from paragraph 3 of this Section, the National Bank of Serbia may fine that participant up to RSD 2,000,000, depending on the severity of the established irregularity, the participant's behaviour and other circumstances under which the irregularity was committed.

In case of violation of the obligation from paragraph 1 of this Section which poses a severe threat to the NBS RTGS system or causes a significant damage to other participants in the system, the National Bank of Serbia may immediately impose the fine referred to in paragraph 4 of this Section.

If the participant, after the imposition of the fine under paragraphs 4 and 5 of this Section fails to remove the irregularity or repeats the violation of the obligation due to which the fine was imposed in the first place, the National Bank of Serbia may again impose on the participant the fine from paragraphs 4 and 5 of this Section and it may do so several times, until the participant stops violating that obligation.

It shall be considered that the violation of the obligation referred to in paragraph 1 of this Section is repeated, within the meaning of that Section, if the violation is committed again within one year after the National Bank of Serbia informed the participant about the last violation of the obligation.

Damage liability

59. The participant shall compensate to the National Bank of Serbia or to other participant any damage related to the operation of the NBS RTGS system that occurs as a consequence of non-adherence to the provisions of these Rules by the participant which caused that damage, or as a consequence of

any other action or omission of this participant which affects the operation of the NBS RTGS system, and/or other participants in the system.

The actions and omissions of the participant referred to in paragraph 1 of this Section shall include the actions and omissions of any other person which in the name or on behalf of the participant carries out certain tasks related to the operation of the NBS RTGS system.

Interim account of a bank – legal successor

59a. In accordance with the decision governing minimum standards of managing the information system of a financial institution (hereinafter: Decision), the National Bank of Serbia shall carry out the procedure in respect of the bank's application for enabling the functioning of an interim account of a bank – legal successor in accordance with the Decision and these rules.

An interim account of a legal successor shall be an account of a bank which ceases to exist due to a status change, which that bank has in the NBS RTGS system in accordance with regulations and these Rules, as well as the special account which that bank has in the NBS IPS system in accordance with regulations and that system's rules of operation due to the connection of that account with the RTGS-IPS account of that bank in the NBS RTGS system, which is, due to the status change, taken over by the legal successor for the purpose of its interim functioning in accordance with the Decision.

On the day of entry of the status change, and/or deletion of the bank which ceases to exist, with the register of the competent authority, the legal successor shall, at the end of the business day of the NBS RTGS system, take over the account of that bank from paragraph 2 of this Section.

The National Bank of Serbia shall permanently exclude the bank which ceased to exist due to the status change from the NBS RTGS system, in accordance with Section 41 of these Rules, and the account of that bank, which was taken over by the legal successor in accordance with paragraph 3 of this Section, shall be considered a closed account of that bank in accordance with regulations, except that from the moment that account was taken over, it may function as an interim account of a legal successor, in accordance with the Decision.

The National Bank of Serbia shall enable the functioning of an interim account of a legal successor under the conditions and within the deadline set out in the Decision.

The interim account from paragraph 2 of this Section shall function with the business identifier code (BIC) which was used by the bank which ceased to exist due to the status change.

In the case of enabling the functioning of an interim account of a legal successor, the National Bank of Serbia shall promptly inform participants in the NBS RTGS system thereof.

In the period of functioning of the interim account of a legal successor, the National Bank of Serbia shall enable the execution of transfer orders by debiting and crediting that interim account.

Upon the expiry of the deadline within which the interim account is functioning, set in accordance with the Decision, the National Bank of Serbia shall disable the functioning of the interim account of a legal successor and stop receiving transfer orders debiting and crediting that account.

If the functioning of the interim account from this Section is enabled because of the adoption of the decision by the bank – legal successor to implement the plan of restoration to the status prior to data migration due to a status change, that bank shall inform the National Bank of Serbia thereof not later than the next business day after the day when it started data migration and not later than one hour before the start of the period set by the Daily Time Schedule of the NBS RTGS system for executing transfer orders in that system.

If the bank – legal successor fails to submit the notification from paragraph 10 of this Section within the deadline from that paragraph – the National Bank of Serbia shall carry out the procedure of closing the interim account of the bank – legal successor, of which it shall promptly inform the bank – legal successor and other participants in the NBS RTGS system.

The National Bank of Serbia shall specify in the technical documentation of the NBS RTGS system more detailed technical-technological conditions for implementing the procedure from this Section.

Transitional provision

60. By way of exception from item 4, paragraph 2 of these Rules, the obligation prescribed for participation in the IPS payment system of the National Bank of Serbia shall not pertain to the bank which is being merged to another bank, if the bank to which that bank is merged by acquisition has submitted to the National Bank of Serbia a duly completed application for consent to the merger by acquisition, not later than by the date of coming into force of these Rules – provided that the planned date of registering the status change of merger is not later than 1 May 2019.

The bank which no later than by the starting date of application of these Rules submitted to the National Bank of Serbia the notification and decision of the bank's competent body that it plans migration of data to the new system of core business applications within the meaning of the decision governing minimum standards of managing the information system of a financial institution – shall be subject to the provisions of item 4, paragraph 2 of these Rules as of 1 April 2019.

Closing provisions

61. The National Bank of Serbia may amend and supplement these rules whereof it shall notify participants in advance.

62. As of the day of entry into force of these Rules, the Operating Rules of the RTGS Payment System of the National Bank of Serbia (G No 4774 dated 3 July 2015) shall cease to be valid.

63. These Rules shall be published on the Internet presentation of the National Bank of Serbia and shall come into force on 22 October 2018, except that provisions of Section 41, paragraph 3 and Sections 54 to 57 shall be applied as of 1 January 2019.

G No 7200
22 August 2018
B e l g r a d e

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

dr Jorgovanka Tabaković