

"RS Official Gazette" No. 57/2004

Pursuant to Article 15, Paragraph 1 of the Law On Payment Transactions ("FRY Official Gazette" No. 3/2002, 5/2003 and "RS Official Gazette" No. 43/2004), Governor of the National Bank of Serbia hereby issues a

**DECISION
ON THE SETTLEMENT AND CLEARING AND FUNCTIONING OF CLEARING
ACCOUNTS OF BANKS WITH THE NATIONAL BANK OF SERBIA**

1. The present Decision prescribes the methods of settlement and clearing and modes of functioning of the settlement accounts of banks with the National Bank of Serbia.

A 'bank' referred to in paragraph 1 of this section should be understood as the bank referred to in article 2, section 10, provision under a) of the Law on Payment Transactions.

2. For the purpose of the present decision, a settlement account should be understood as a giro account of the bank which is opened and kept with the National Bank of Serbia.

It is via the settlement account as stated in paragraph 1 of this section that the inter-bank payments are effected and settled.

3. The inter-bank payments with the National Bank of Serbia are executed as gross and net settlements.

4. For the purpose of the present Decision, the gross settlement should be understood as the receipt and execution of individual payment orders by the banks within the shortest time possible as of the point that they are received - in the amount below or equal to the cover existing in the settlement account as stated in section 2 of the Decision (hereinafter referred to as: the real time gross settlement).

5. The real time gross settlement is performed by the National Bank of Serbia - an organizational part in charge of settlement, in line with the Decision and operative rules of the real time settlement on the gross principle prescribed by the National Bank of Serbia.

For its participation in the real time settlement on the gross principle - the bank submits an application to the National Bank of Serbia.

Should the National Bank of Serbia following an assessment ascertain that the bank meets technical requirements to be linked to the organizational part as stated in paragraph 1 of this section, the bank in question becomes a participant in the real time gross settlement based on a contract that it concludes with the National Bank of Serbia.

In line with the provisions of the contract as stated in paragraph 3 of this section, the bank accepts the operative rules as stated in paragraph 1 of the section as officially binding.

6. All payment orders may be executed through the real time gross settlement, while this is obligatory for the payment orders the amounts of which are determined in the operative rules as stated in section 5, under 1) of this Decision.

7. For the purpose of the present decision, the net settlement should be understood as the receipt of separate payment orders, or groups of payment orders being accompanied by specifications of the individual orders, for purpose of settlement of the multilateral net amounts, which is effected through the banks. settlement accounts as stated in section 2 of the Decision (hereinafter referred to as: the clearing).

8. The clearing is dealt with in an organizational part of the National Bank of Serbia in charge of the clearing, in conformity with this Decision and operative rules for the clearing to be established by the National Bank of Serbia.

By the operative rules as stated in paragraph 1 of this section the amounts of payment orders to be executed through the net settlement are fixed .

For its participation in the clearing - the bank submits an application to the National Bank of Serbia.

Should the assessment by National Bank of Serbia ascertain that the bank meets technical requirements to be connected to the organizational unit referred to in paragraph 1 of this section, the bank in question becomes a participant in the clearing on the basis of a contract concluded with the National Bank of Serbia.

The contract referred to in paragraph 4 of this section obliges the bank to observe the operative rules referred to in paragraph 1 of the section.

9. The operative rules referred to in section 5, paragraph 1, and section 8, paragraph 1 of this Decision implies that the National Bank of Serbia determines what is to be considered as risk in performance of the payment

operations in the sense of the Decision, as well as a method of control and measures for removal of the risk in question.

10. The National Bank of Serbia shall allow the banks to have insight into the balances of all their accounts at all times during the working hours.

11. The National Bank of Serbia shall regularly inform the banks of eventual halts and other problems in performance of the operations as stated in this Decision.

12. The National Bank of Serbia is entitled to wholly or partly block the bank's settlement account in the events foreseen by the law and other enactments.

The National Bank of Serbia shall immediately inform the bank of its settlement account being blocked in the sense of paragraph 1 of this section, as well as of reasons for its having been blocked.

13. The payment orders referred to in this decision are delivered in line with the decision regulating methods of electronic payment operations.

14. On the effectiveness day of the present decision, the Decision on the Clearing and Settlement and on the Functioning of the Settlement Accounts of Banks With the National Bank of Yugoslavia ("The Official Gazette of RS" No. 9/2004 and 48/2004) ceases to be valid.

15. The present decision shall come into effect on the day following publication in the "RS Official Gazette", with implementation beginning with June 1, 2004.

Dec. No. 26
May 18, 2004

Governor
of the National Bank of Serbia
Radovan Jelašić