LAW
ON THE PROTECTION OF
FINANCIAL SERVICES CONSUMERS

Chapter I
GENERAL PROVISIONS

Subject matter

Article 1
This Law shall regulate the rights of consumers of financial services provided by banks, financial leasing providers and vendors, as well conditions and manner of exercising and protecting these rights.

Definitions

Article 2
For the purpose of this Law, certain terms shall have the following meaning:

1) financial services are banking services, financial leasing services and financial arrangements;

2) banking services are services provided by a bank to consumers of these services on the basis of a credit agreement, deposit agreement, agreement on account opening and maintenance, agreement on payment cards issuing and use, agreement on authorised overdraft facility, as well as other services provided by the bank in conformity with law;

3) financial leasing (hereinafter: leasing) is an arrangement within the meaning defined by the law which regulates financial leasing;

4) insurance services and services of voluntary pension fund management companies are services defined by laws which regulate the operation of insurance companies and voluntary pension funds and pension schemes, respectively;

5) financial arrangement is sale involving the payment of price in instalments or another form of consumer financing with the same economic substance, offered by the vendor, which implies deferred payment of debt within a specified period;

6) banking service provider (hereinafter: bank) is a bank within the meaning of the law which regulates banks;

7) lessor and leasing object have the meaning defined by the law which regulates financial leasing;

8) vendor is a legal or natural person selling under financial arrangement and operating on the market within his trade, business or profession;

9) financial service consumer (hereinafter: consumer) is a natural person who is using or who has used financial services, or who approached the provider of financial services with an intention of using these services, and who is using financial services for the purposes outside his trade, business or profession;
10) **credit agreement** has the meaning defined by the law which regulates contracts and torts;

11) **deposit agreement** has the meaning defined by the law which regulates contracts and torts;

12) **agreement on account opening and maintenance** has the meaning defined in regulations governing contracts and torts and payment operations in dinars and foreign means of payment;

13) **revolving credit agreement** is a credit agreement enabling the consumer to withdraw the funds repeatedly, over the specified period, within the pre-approved credit limit under the same conditions, with the amount of available credit increasing by the repaid amount.

14) **payment card** (credit or debit) is a cashless payment instrument, enabling its user to pay for goods and services and to withdraw cash;

15) **credit card** is a payment card which enables its user to withdraw cash and pay for goods and services;

16) **debit card** is a payment card which enables its user to pay for goods and services and to withdraw cash;

17) **authorised overdraft facility** is an agreed amount of funds which a bank makes available to an account holder;

18) **overrunning** is an amount of funds which the account holder uses beyond the terms agreed with the bank;

19) **linked credit agreement** is a credit agreement which serves exclusively to finance the purchase of specific goods or a specific service and which forms a commercial unit with the contract for sale of such goods or service; a commercial unit shall be deemed to exist where the creditor uses the services of the seller in connection with the conclusion of the credit agreement or the specific goods or a service which are the subject of purchase are explicitly specified in that agreement;

20) **nominal interest rate** is an interest rate expressed as a fixed or variable percentage applied at the annual level to the amount of drawdown credit assets, or on the amount of net leasing financing, or on the received deposit;

21) **annual effective interest rate** and **effective lease rate** (hereinafter: effective interest rate) express the total cost of the credit and other financial services paid or received by the consumer of these services, expressed as a percentage of the total amount of these services on an annual level;

22) **repayment schedule** or **payment schedule** is a schedule showing chronologically all cash flows, intended to provide information to the consumer, in order to allow him updated monitoring of his liabilities under the credit agreement or leasing agreement or his claims under a deposit agreement;

23) **durable medium** is any instrument which enables the consumer to store information referring to him, to access this information and to reproduce it in unchanged form for a period of time adequate for the purposes of information storage;

24) **professional care** is increased attention and skill reasonably expected from the provider of financial service in dealing with the consumers, in conformity with professional standards, best business practices and principle of good faith and honesty;
25) **representative example** is an example which specifies all elements necessary for the presentation of terms under which a specific financial service is used.

**Scope**

**Article 3**

The provisions of this Law shall not apply to:

1) leasing agreements which do not provide the option for the lessee to acquire ownership of the leasing object;

2) credit agreements and/or financial arrangements concluded within the settlement procedure before the court or another government body;

3) credit agreements and/or financial arrangements which relate to the deferred payment, free of charge, of an existing debt;

4) credit agreements and/or financial arrangements free of interest and any other charges and credit agreements and/or financial arrangements under which the credit has to be repaid within three months or which provide for deferred payment for a period of up to three months and include payment of only insignificant charges;

5) credit agreements and/or financial arrangements secured by lien on personal property, if the liability of the consumer is limited to the value of the pledged item;

6) agreements on financial arrangements with continuous performance, by which the vendor undertakes to supply a certain kind of goods or provide a certain service to the consumer over a longer period, and the consumer undertakes to pay the price in instalments over the period of goods supply or service provision.

**Relationship with other regulations**

**Article 4**

Issues concerning consumer protection that are not covered by this Law shall be subject to the provisions of regulations governing consumer protection, bank operation, leasing providers and/or payment operations in dinars and foreign means of payment, as well as provisions of laws which regulate contracts and torts.

**Main principles of consumer protection**

**Article 5**

The main principles of consumer protection within the meaning of this Law shall be the following:

1) the right to enjoy equal position as the financial service provider,

2) the right to protection against discrimination,

3) the right to be informed,

4) the right to defined or definable contractual obligation,

5) the right to protection of rights and interests.
Advertising

Article 6

Financial services shall be advertised in clear and understandable manner, and advertisement shall not contain incorrect information and/or information misleading about the terms under which the consumer uses these services.

Rules of contracting

Article 7

A financial service agreement (hereinafter: agreement) shall be drawn up in writing or on another durable medium.

Each contracting party shall receive a copy of the agreement.

The agreement shall not contain provisions by which the consumer waives the rights guaranteed by this Law.

Article 8

The contractual obligation must be defined or definable.

The pecuniary contractual obligation shall be deemed definable as regards its amount if it depends on agreed variable or variable and fixed elements, where variable elements are those that are officially published (reference interest rate, consumer price index, etc).

The pecuniary contractual obligation shall be deemed temporally definable if the time when it falls due can be established on the basis of agreed elements.

Elements referred to in paragraphs 2 and 3 hereof shall be of such nature that they cannot be affected by unilateral will of any of the parties.

The agreements shall not contain reference to business policy with respect to elements of the agreement deemed compulsory under this Law.

The financial service provider shall define the pecuniary contractual obligation in the manner laid down in this Article.

General terms of business

Article 9

For the purposes of this Law, the general terms of business of financial services providers shall mean the terms applicable to consumers, the terms for establishment of the relationship between the consumer and the financial service provider and the procedure for their mutual communication, as well as the terms for transactions between the consumer and provider of the service concerned.

Through general terms of business, the financial service provider shall ensure the application of good business customs, good business practices and fair treatment of the consumer, as well as compliance of these terms with regulations.

Article 10

The financial service provider shall ensure that the consumer is acquainted on the provider’s business premises with the general terms of business in the Serbian language, at least 15 days prior to their implementation, and shall provide him with relevant explanations and instructions referring to the application of these
terms in respect of a specific financial service and shall also provide him with these terms, on request, in writing or on another durable medium.

**Annual effective interest rate**

**Article 11**

The effective interest rate is a discount rate which equates, on an annual basis, present values of all cash flows and/or present values of all cash receipts with the present values of all cash expenses relating to the use of financial services, which are known at the time of disclosing this rate.

Cash flows referred in paragraph 1 hereof shall include:

- all credit repayments/drawdowns and lease/deposit payments;
- costs payable by the financial services consumer (e.g. interest, fees, taxes) and/or benefits to be received by the consumer (interest and other unconditional benefits);
- costs relating to ancillary services which are prerequisite for the use of financial service or for its use in a specific manner (e.g. costs of life assurance, property and personal insurance).

If opening of an account is a prerequisite, cash flows referred to in paragraph 1 hereof shall include the costs of opening and maintaining that account, as well as all costs relating to the execution of such cash flows.

Cash flows referred in paragraph 1 hereof shall not include:

- costs incurred due to the breach of contractual provisions;
- costs relating to purchase of goods incurred irrespective of whether the payment is in cash or in another manner.

The effective interest rate calculation shall be based on the following assumptions:

- that the financial service agreement will remain in force during the period agreed;
- that the parties will fulfil their respective contractual obligations and that they will do so within the deadlines specified in the agreement;
- that the nominal interest rate and other costs will remain unchanged throughout the duration of the agreement.

The bank and the lessor shall calculate the effective interest rate in unique, regulated manner to allow comparison of the same type of offers of different financial service providers.

The National Bank of Serbia shall define detailed conditions and manner of effective interest rate calculation.

**Right of withdrawal**

**Article 12**

The consumer shall have the right to withdraw from the credit agreement, agreement on authorised overdraft facility, agreement on issuing and use of a credit card, leasing agreement and financial arrangement – within 14 days from the date of conclusion of the agreement, without giving any reason for withdrawal.
In case of a credit agreement secured by a mortgage and in case of agreements the subject-matter of which is the purchase or financing of purchase of real estate, the consumer may withdraw from the agreement provided he has not started to use the credit or financing.

When withdrawing from the agreement referred to in paragraph 1 hereof, and prior to expiry of the term referred therein, the consumer shall notify the bank, or the lessor, or the vendor of his intention in the manner that provides confirmation of receipt of that notification, where the date of receipt of that notification shall be considered the date of withdrawal from the agreement. This notification shall be delivered in writing or on another durable medium.

The consumer who withdraws from the credit agreement, agreement on authorised overdraft facility or agreement on issuing and use of a credit card shall immediately, and not later than 30 days from the dispatch of the notification referred to in paragraph 3 hereof, repay to the bank the principal and interest accrued under the main deal for the period the credit has been used.

The consumer who withdraws from the leasing agreement with an option to buy the leasing object shall return the leasing object to the lessor immediately after dispatching the notification referred to in paragraph 3 hereof. The consumer referred to in the present paragraph shall immediately, and not later than 30 days from the dispatch of the notification referred to in paragraph 3 hereof, compensate the lessor for any loss sustained through value reduction of the leasing object and shall pay the agreed interest under the main deal for the period between the signing of the agreement and the date when the interest is paid.

The consumer who withdraws from the financial arrangement with a vendor shall immediately return the object of purchase to the vendor. The consumer referred to in the present paragraph shall immediately, and not later than 30 days from the dispatch of the notification referred to in paragraph 3 hereof, compensate the vendor for any loss sustained through value reduction of the object of sale and shall pay the agreed interest under the main deal for the period between the conclusion of sales agreement and the date when the interest is paid.

Service providers shall not be entitled to any other compensations except compensations referred to in paragraphs 4 to 6 hereof and costs incurred with competent authorities, and in case referred to in paragraph 2 – the bank shall be entitled to reimbursement of actual costs incurred in connection with the conclusion of the credit agreement.

The consumer shall be informed of actual costs referred to in paragraph 7 hereof before the conclusion of the credit agreement.

If service providers referred to in paragraph 3 hereof or a third party on the basis of an agreement with such providers supply ancillary services relating to financial services referred to in paragraphs 1 and 2 of that Article, the consumer shall no longer be bound by the ancillary service contract if the consumer exercises his right of withdrawal from the main agreement in accordance with this Article.

**Right to be informed**

**Article 13**

The customer shall have the right to obtain from the financial service provider, in writing or on another durable medium, free of charge, information, data and instructions relating to his contractual relationship with the provider, in the manner and within the terms specified by the agreement.
Minimum professional competence requirement

Article 14

Employees engaged in the sale of financial services or in advising consumers shall possess adequate qualifications, knowledge and experience, professional and personal qualities, act in accordance with good business customs and professional ethics, observe the customer’s person and integrity and inform customers fully and accurately of the terms for use of these services.

Financial services providers shall ensure that employees engaged in the sale of these services or in advising customers possess adequate qualifications and shall arrange for training of these employees.

Chapter II

BANKING SERVICES AND LEASING

Section 1

Information preliminary to the conclusion of an agreement

1. Advertising

Article 15

When advertising deposit and credit services and leasing operations where the advertising message indicates an interest rate or any figures relating to the price or income, the bank and the lessor shall specify clearly and precisely, by means of a representative example:

- type of deposit/credit/leasing object;
- level and variability of the annual nominal interest rate;
- effective interest rate;
- currency in which the deposit/credit/leasing is agreed;
- period for which the deposit/credit/leasing is agreed;
- criteria for deposit/credit/leasing indexation;
- total amount of deposit/credit;
- all costs payable by the consumer.

In advertisements for leasing, in addition to information referred to in paragraph 1 hereof, the lessor shall also specify the following information:

- gross purchase value of the leasing object, the amount of front payment and the amount of net financing;
- number and amount of rental instalments, as well as the period in which instalments are due (monthly, quarterly, etc).

In advertisements referred to in paragraphs 1 and 2 hereof, the amount of the effective interest rate should be indicated or written in such a way to be more prominent than other elements.

Advertising referred to in paragraphs 1 and 2 hereof shall mean advertising within the meaning of the law regulating advertising – advertising in public media, on
the premises of the bank and lessor (brochures, promotional leaflets, etc.) and/or on the website.

**Article 16**

Where the conclusion of a contract regarding an ancillary service, in particular insurance, is compulsory for the conclusion of the credit and/or leasing agreement, and the cost of that service cannot be determined in advance, the obligation to enter into that contract shall also be stated in a clear, concise and prominent way, together with the effective interest rate.

If the advertisement is for credit or leasing with the nominal interest rate of 0%, all terms of that credit or leasing shall be indicated.

Terms such as ‘free’ or ‘similar’ shall not be used in advertising of credit or leasing, if granting of such credit or leasing is contingent on the conclusion of another contract or on anything that represents cost for the consumer or creates another obligation.

**2. Pre-contractual information to the consumer**

**Article 17**

The bank and the lessor shall provide the consumer with information on and relevant explanations of the terms referring to the deposit/credit/leasing agreement, authorised overdraft facility agreement, agreement on opening and maintaining of an account and on the agreement on issuing and use of a payment card (hereinafter: offer) in a manner that will enable the consumer to compare different offers of providers of the same services and assess whether the agreement suits his needs and financial situation, but which would not be misleading to the consumer at any time.

The bank and the lessor shall offer the service to the consumer primarily in dinars and shall, at the request of the consumer, enable him to negotiate the service in dinar equivalent of foreign currency.

If the credit is negotiated in dinar equivalent of foreign currency or in foreign currency, the bank and the lessor shall warn the consumer of the risks he assumes in such a case.

The offer shall be supplied on a proper form, on paper or other durable medium and shall include:

1) the type of service;
2) the business name and the address of service provider;
3) the total amount of deposit, credit, or financial leasing arrangement and the conditions governing its use;
4) the currency in which the deposit/credit/leasing is agreed;
5) the duration of the agreement;
6) the level and variability of the nominal interest rate;
7) the elements for determining the agreed variable interest rate, their level at the time of conclusion of the agreement, periods in which they will be changed and manner of changing, as well as a fixed element, if agreed;
8) the effective interest rate and the total amount payable by the consumer or to be paid to the consumer, illustrated by means of a representative example which indicates all elements used in calculating that amount;
9) the number and amount of credit instalments or rental instalments, as well as the period in which instalments fall due (monthly, quarterly, etc);

10) the type and level of all fees and other costs charged to the borrower, with indication whether they are fixed or variable, and in the latter case – adjustment periods and method of adjustment;

11) for payment cards – information on the fee for cash withdrawal at the ATM operated by another bank and the amount of fee in case of cash withdrawal at the ATM of the issuing bank, information on the amount of commission for the use of payment card abroad, as well as information on the applicable exchange rate for the conversion of transactions incurred abroad into the currency in which the consumer is debited and any commissions charged for conversion;

12) the obligation, if any, to enter into an ancillary service contract relating to the credit or leasing agreement (e.g. insurance contract) where the conclusion of such a contract is compulsory in order to obtain the credit under the advertised terms;

13) the interest rates applicable in the case of late payments;

14) a warning regarding the consequences of missing payments;

15) the sureties required;

16) the consumer’s right of withdrawal, conditions and manner of withdrawal and the amount of any associated costs;

17) the right of early repayment of the credit/leasing and use of credit card and the bank’s/lessor’s right to compensation and the amount of such compensation;

18) information that the consumer is entitled to be informed of the result of a database consultation carried out for the purposes of assessing his creditworthiness and that such information is free of charge in case referred to in Article 18, paragraph 3 hereof;

19) the right of a consumer who intends to enter into an agreement with a bank/lessor to be supplied with a copy of the draft agreement free of charge, provided the bank/lessor at the time of the request is willing to enter into this agreement;

20) the period of time during which the bank/lessor is bound by the pre-contractual information.

In addition to the information referred to in paragraph 4 hereof, the offer referring to leasing service shall include:

1) gross acquisition value of the leasing object;

2) amount of front payment;

3) data on the obligation of insuring the leasing object;

4) the amount of costs for registering the agreement with the Business Registers Agency, payable by the consumer after the conclusion of the leasing agreement;

5) the terms and conditions for exercising the option to buy the leasing object/to extend the leasing agreement.

The offer for the conclusion of an agreement on authorised overdraft facility shall contain elements referred to in paragraph 4, subparagraphs 1, 2, 3, 5, 6, 7, 8, 10, 13, 18, 19 and 20 hereof, as well as conditions and procedure for termination of
this agreement and information on the cases when the consumer may be required to fully repay the authorised overdraft.

A bank/lessor shall inform the consumer who intends to enter into an agreement with it that he may obtain, at request and free of charge, the draft agreement concerned, as a proposal for its conclusion.

If the lessor’s financing conditions are presented by a third person, the lessor shall be obliged to conclude with this person a contract on business cooperation which obliges this person to present these conditions in the same manner as the lessor.

The National Bank of Serbia shall prescribe the layout and contents of the forms for presentation of the offer to the consumer.

3. Obligation to assess consumer’s creditworthiness

Article 18

Before entering into a credit/leasing agreement, the bank/lessor shall assess the consumer’s creditworthiness on the basis of data furnished by the consumer and on the basis of consultation of a database on indebtedness of that consumer, upon the written consent of the person concerned.

If the contracting parties agree to increase the consumer’s indebtedness, the bank/lessor shall reassess the consumer’s creditworthiness.

If the credit or leasing application is rejected on the basis of consultation of a database referred to in paragraph 1 hereof, the bank/lessor shall inform the consumer immediately, in writing and free of charge, of the particulars of the database consulted.

Section 2

Contents of an agreement on banking services and leasing

1. Credit agreement

Article 19

A credit agreement shall contain the following compulsory elements:

1) type of credit;
2) duration of the credit agreement;
3) business name/name and address of contracting parties;
4) total credit amount and the conditions governing the drawdown;
5) for credits indexed to foreign currency – the currency in which the bank indexes the credit, type of the exchange rate applicable for credit approval and repayment (the official middle exchange rate) and the date of calculation;
6) the nominal interest rate, with indication whether it is fixed or variable, and if it is variable – elements for its determination (reference interest rate, consumer price index, etc.), their level at the time of conclusion of the agreement, periods in which they will be changed, as well as a fixed element, if agreed;
7) the effective interest rate and total amount payable by the consumer, calculated on the date of conclusion of the agreement;
8) the credit repayment schedule and the consumer’s right to receive such schedule once a year free of charge throughout the duration of the agreement, provided no changes in the schedule occurred; if interest and charges are repaid without concurrent repayment of the principal, the credit repayment schedule shall contain only the terms and conditions for the repayment of interest and charges;

9) the method of interest calculation (compound interest method, pro-rata interest method, etc.);

10) information on the interest rate applicable in case of late payment in accordance with this Law;

11) warning of consequences in case of default, conditions, procedure and consequences of termination or cancellation or the credit agreement in conformity with the law governing contracts and torts, as well as information on the conditions and manner of assignment of claim in the event of default;

12) the type and level of all fees and other costs charged to the borrower, with indication whether they are fixed or variable, and in the latter case – adjustment periods, as well as the type and level of other costs (taxes, fees to competent bodies, etc.);

13) types of collateral, possibility of their replacement during the period of credit repayment, as well as conditions for their seizure in the event of default;

14) conditions and manner of early credit repayment and amount of relevant compensation;

15) the consumer’s right to withdraw from the agreement, conditions and manner of withdrawal;

16) the right to complaint and the possibility of instituting mediation proceedings for out-of-court settlement of the dispute;

17) address of the National Bank of Serbia as the authority in charge of bank supervision.

The linked credit agreement, in addition to elements referred to in paragraph 1 hereof, shall also contain designation of the goods or service concerned, its cash price and information concerning the termination of the linked agreement in case when the consumer exercises the right to withdrawal from the agreement.

For the loan agreement – the interest, fees and other charges, if variable, must depend on agreed elements that are publicly disclosed (reference interest rate, consumer price index, etc.) and which are of such nature that the change in their value cannot be affected by unilateral will of any of the contracting parties.

On conclusion of the credit agreement, the bank shall deliver to the consumer a copy of the credit repayment schedule and a summary of compulsory credit elements, containing main data on the credit, which are considered an integral part of the agreement. The bank shall keep a second copy of this schedule and of the summary of main elements on its file.

2. Agreement on authorised overdraft facility

Article 20

The agreement on authorised overdraft facility shall contain elements referred to in Article 19, paragraph 1, subparagraphs 1, 2, 3, 4, 6, 7, 9, 10, 11 and 12 of this Law, as well as information on the cases when the consumer may be required to fully repay the authorised overdraft.
For agreements referred to in paragraph 1 hereof – the interest, fees and other charges, if variable, must depend on agreed elements that are publicly disclosed (reference interest rate, consumer price index, etc.) and which are of such nature that the change in their value cannot be affected by unilateral will of any of the contracting parties.

On conclusion of the credit agreement referred to in paragraph 1 hereof, the bank shall deliver to the consumer a copy of the summary of compulsory elements of authorised overdraft, containing main data on overdraft facility, which is considered an integral part of the agreement. The bank shall keep a second copy of this summary on its file.

3. Leasing agreement

Article 21

A leasing agreement shall contain the following compulsory elements:

1) the gross acquisition value of the leasing object (sum of the value at which the lessor obtained the ownership right of the leasing object and the value added tax);

2) the amount of front payment (the amount which the consumer pays to the lessor and which is expressed as a ratio to the gross acquisition value of the leasing object);

3) the amount of net financing (the difference between the gross acquisition value of the lease object and front payment);

4) the number and amount of rental instalments, as well as the period in which instalments fall due;

5) the remaining value of the leasing object (a part of the amount of net financing which can be agreed and which the lessee does not repay through rental instalments, but once-off, after the expiry of the period of the lease agreement, if the agreement provides for the right of the lessee to buy the leasing object);

6) for leasing indexed to foreign currency – the currency in which indexation is carried out, type of the exchange rate applicable to leasing approval and repayment (the official middle exchange rate) and the date of calculation;

7) the nominal interest rate, with indication whether it is fixed or variable, and if it is variable – elements for its determination (reference interest rate, consumer price index, etc.), their level at the time of conclusion of the agreement, periods in which they will be changed, as well as a fixed element, if agreed;

8) the effective interest rate and the total amount payable by the consumer, calculated on the date of conclusion of the agreement;

9) information concerning the obligation to insure the leasing object;

10) the right to buy the leasing object or to continue to hold it under lease;

11) conditions and manner of early repayment and amount of relevant compensation;

12) the method of interest calculation (compound interest method, pro-rata interest method, etc.);

13) the interest rate applicable in case of late payment in accordance with this Law;
14) the type and level of all fees charged to the lessee, with indication whether they are fixed or variable, and in the latter case – adjustment periods, as well as the type and level of other charges (taxes, fees to competent authorities, etc.);

15) types of collateral, possibility of their replacement during the period of leasing repayment, as well as conditions for the seizure of the collateral in the event of default;

16) information of the lessor’s right to sell the leasing object;

17) conditions, procedure and consequences of the termination of the leasing agreement, as well as information on the condition and manner of assigning the claim in the event of default;

18) the consumer’s right to withdraw from the agreement, conditions and manner of withdrawal;

19) the right to complaint and the possibility of instituting mediation proceedings for out-of-court settlement of the dispute;

20) address of the National Bank of Serbia as the authority in charge of leasing supervision.

For the leasing agreement – the interest, fees and other charges, if variable, must depend on agreed elements that are publicly disclosed (reference interest rate, consumer price index, etc.) and which are of such nature that the change in their value cannot be affected by unilateral will of any of the contracting parties.

On conclusion of the leasing agreement, the lessor shall deliver to the consumer a copy of the leasing repayment schedule and a summary of compulsory leasing elements, containing the main data on the leasing, which are considered an integral part of the agreement. The lessor shall keep a second copy of this schedule and of the summary of main elements on its file.

4. Agreement on issuing and use of payment card

Article 22

An agreement on issuing and use of a payment card shall contain the following compulsory elements:

1) the business name/name and address of contracting parties;

2) characteristics, manner of use and restrictions on the use of the card;

3) advice to the consumer regarding safe use of the card;

4) percentage of minimum monthly payment obligation for a credit card;

5) the currency in which charges to the card are calculated;

6) information on the fee charged for cash withdrawal on the ATM operated by another bank;

7) information on the amount of fee for the use of payment card abroad, information on the currency in which a transaction abroad is recorded and information on the applicable exchange rate for the conversion of transactions incurred abroad into the currency in which the consumer is debited and any commissions charged for conversion;

8) advice to the consumer how to act in the event of unauthorised use of data on the card, damage, theft or loss of card;
9) action by the consumer and the bank in the event of blockade of the card;
10) responsibility and obligations of the consumer and of the issuing bank in the event of card theft or loss or in the event of unauthorised use of data from the card;
11) the consumer’s right to withdraw from the agreement, conditions and manner of withdrawal;
12) the right to complaint and the possibility of instituting mediation proceedings for out-of-court settlement of the dispute;
13) the address of the National Bank of Serbia as the authority in charge of bank supervision.

The agreement referred to in paragraph 1 hereof, in addition to elements referred to in that paragraph, shall also contain elements referred to in Article 19, paragraph 1 of this Law, except for elements referred to in subparagraph 8 of that paragraph.

5. Agreement on deposit

Article 23

A deposit agreement shall contain the following compulsory elements:

1) the type of deposit and the period for which the bank receives the deposit;
2) the deposit amount;
3) the currency in which the consumer deposits and the bank pays deposit funds (dinar or other) and in case of a deposit with agreed currency clause – the type of currency applicable for depositing and for payment of deposit (the official middle exchange rate) and the date of calculation;
4) the payment schedule;
5) the nominal annual interest rate, with an indication whether the consumer is due to pay taxes;
6) the effective interest rate and the total amount payable to the consumer, calculated on the date of conclusion of the agreement;
7) unconditional benefits provided by the bank in connection with the deposit;
8) variability of the nominal interest rate (fixed or variable);
9) the elements for determining the agreed variable nominal interest rate, their level at the time of conclusion of the agreement, periods in which they will be changed and manner of changing, as well as a fixed element, if agreed;
10) the method of interest calculation (the compound interest method, pro-rata interest method, etc.);
11) terms and conditions of using deposit funds by the consumer;
12) the type and level of all fees and other costs charged to the depositor, with indication whether they are fixed or variable, and in the latter case – adjustment periods, as well as the type and level of other costs (taxes, fees to competent bodies, etc.);
13) conditions and manner of automatic extension of the depositing period;
14) the amount of insured deposit;

15) the right to complaint and the possibility of instituting mediation proceedings for out-of-court settlement of the dispute;

16) the address of the National Bank of Serbia as an authority in charge of bank supervision.

For the deposit agreement – the interest, fees and other charges, if variable, must depend on agreed elements that are publicly disclosed (reference interest rate, consumer price index, etc.) and which are of such nature that the change in their value cannot be affected by unilateral will of any of the contracting parties.

On conclusion of the deposit agreement, the bank shall deliver to the consumer a copy of the deposit payment schedule and a summary of compulsory elements of the deposit, containing main data on the deposit, which are considered an integral part of the agreement. The bank shall keep a second copy of this schedule and of the summary of main elements on its file.

In the case of automatic extension of the deposit term, the bank shall inform the consumer, at least 15 days before the expiry of the term of deposit, of the new extended term of deposit and of the new interest rate, and the consumer shall be entitled to terminate the contract within 30 days from receipt of that information, without charges and with interest agreed for the expired term.

6. Agreement on account opening and maintaining

Article 24

An agreement on account opening and maintaining, in addition to elements defined by regulations governing payment operations, shall contain the following compulsory elements:

1) the type and level of all fees and other costs charged to the consumer, with indication whether they are fixed or variable, and in the latter case – adjustment periods and method of adjustment;

2) whether the bank is paying interest, the rate at which the interest is calculated, with indication whether the rate is fixed or variable, and in the latter case – elements whose change affects the interest rate, adjustment periods, method of adjustment and reasons for adjustment, as well as the interest calculation method applied (compound, pro-rata, etc.);

3) the interest rate and additional costs charged in the case of overrun;

4) information on conditions and manner of assignment of claim from the consumer in case of default;

5) the right to complaint and the possibility of instituting mediation proceedings for out-of-court settlement of the dispute;

6) the address of the National Bank of Serbia as the authority in charge of bank supervision.

If the bank increases fees and other costs referred to in paragraph 1, subparagraph 1 hereof above the level set by the agreement, it shall inform the consumer at least 15 days before it starts implementing these changed fees and/or other costs.

Information referred to in paragraph 2 hereof shall contain information that the consumer may, at his request, immediately after settling his liabilities on the account,
transfer the funds to another bank or withdraw the amount in cash and close the account, and the bank shall enable him to do so.

**Article 25**

The National Bank of Serbia shall prescribe the form and content of the credit/leasing repayment and deposit payment schedule and the summary of compulsory credit/leasing/deposit payment elements.

**7. Variable nominal interest rate**

**Article 26**

The variable nominal interest rate shall be the interest rate the level of which depends on agreed variable and/or variable and fixed elements, where variable elements are those that are officially published (reference interest rate, consumer price index, etc.).

Elements referred to in paragraph 1 hereof shall be of such nature that they cannot be affected by unilateral will of any of the parties.

The bank/lessor shall determine the nominal interest rate in the manner laid down in the provisions hereof.

The bank/lessor shall display on their business premises information about the changes in the value of agreed variable elements referred to in paragraph 1 hereof.

**8. Agreement on other banking services**

**Article 27**

Agreements on issued sureties and guarantees, the agreement on safe deposit box and agreements on other banking services shall contain the type and amount of all fees and other costs charged to the consumer.

**Section 3**

**Informing the consumer during the contractual relationship**

**1. Changes to compulsory elements of the agreement**

**Article 28**

If the bank or lessor intends to change any of compulsory elements of the agreement, it shall obtain prior written consent of the consumer. If the consumer does not agree with the change, this cannot be the reason for the bank or lessor to unilaterally change the terms of the agreement, nor to unilaterally terminate or cancel the contract.

**2. Information on variable nominal interest rate**

**Article 29**

If the variable nominal interest rate is negotiated, the bank/lessor shall inform the consumer of the change in that rate in writing or on another durable medium, before it starts to implement the changed rate, or periodically in accordance with the agreement, and shall specify in that information the date as of which the changed rate applies.
Along with the information referred to in paragraph 1 hereof, the bank in the case of a credit agreement and the lessor in the case of a leasing agreement shall deliver to the consumer in writing or on another durable medium the changed credit repayment schedule or the leasing object repayment schedule, respectively.

The bank and the lessor shall make the schedules referred to in paragraph 2 hereof available to the consumer, at his request and free of charge, throughout the duration of the agreement.

The obligation of providing information referred to in paragraph 1 hereof shall also exist in the case of change to variable elements that influence the amount of other pecuniary liabilities.

3. Changes to other elements of the agreement

Article 30

The bank/lessor shall inform the consumer in due time and in the agreed manner of any changes in the data that do not constitute compulsory elements of the agreement within the meaning of this Law.

4. Information on the outstanding debt and account overdraft

Article 31

The bank/lessor shall at least twice a year deliver to the consumer free of charge a statement of his outstanding debt under the credit agreement, the leasing agreement or a credit card.

In case of authorised overdraft facility, the bank shall at least once a month deliver to the consumer free of charge, in writing or on another durable medium, information in the form of a statement of account showing all transactions in the account and shall deliver that information to the consumer without delay at his request, with the right to charge a fee for such information in accordance with the bank's policy of fees and commissions.

Information referred to in paragraph 2 hereof shall contain the following data:

1) the account number,
2) the period to which the statement of account relates;
3) the date of transaction, description of transaction, the amount and kind of transaction (credit or debit),
4) previous and new balance of account and the date of the statement,
5) the applied nominal interest rate,
6) any costs charged.

In the event of significant overrunning exceeding the period of one month, the bank shall inform the consumer without delay, in writing or on another durable medium:

– of the amount of overrunning,
– of the interest rate to be applied to the amount of overrunning,
– of any other charges and penalties.
5. Arrears

Article 32

If the consumer fails to fulfil his obligation within the agreed time, the outstanding due liability shall be subject to the rules of interest charged in case of debtor’s default laid down in the law regulating contracts and torts.

If circumstances that result in consumer’s difficult financial situation or other pertinent events beyond the influence of the consumer occur during the period of the agreement, the bank/lessor may, at the consumer’s request, declare suspension of payment (moratorium) for a specified period in which the bank/lessor shall not calculate the default interest on past due claims.

The bank/lessor may by their internal regulations lay down criteria for declaring the suspension of repayment.

Section 4

Special rights

1. Rights referring to revolving credit

Article 33

The consumer may terminate a revolving credit agreement at any time, in the usual manner, without charge, unless the notice period is agreed which may not be longer than one month.

In the latter case, the bank may terminate revolving credit by giving a notice to the consumer in writing or on another durable medium at least two months earlier.

If such an option is agreed, the bank may due to justified reasons (unauthorised use of credit, significant deterioration in the consumer’s creditworthiness and similar) deprive the consumer of the right to draw down funds, but shall inform the consumer of the reasons for deprivation in writing or on another durable medium, if possible immediately or within the next three days, except when provision of such information is prohibited by other regulations.

2. Right to application of the same type of exchange rate

Article 34

When approving credit indexed to foreign currency, the bank shall apply the official middle exchange rate applied to credit repayment.

The provisions of paragraph 1 hereof shall be applied by analogy to the leasing agreement and to deposit agreement.

3. Right to the same method of interest calculation

Article 35

If the consumer has an obligation of making special-purpose deposit with the agreed interest rate to obtain credit, he shall be entitled to the same method of interest calculation on that deposit as the method applied to the interest calculation on the amount of extended credit, and the bank shall enable him to exercise that right.
4. Early repayment

Article 36

The consumer shall be entitled to discharge fully or partially his obligations under a credit agreement at any time, in which case he shall be entitled to a reduction in the total cost of the credit for the amount of interest and the costs for the remaining duration of the contract (early repayment).

The bank may negotiate compensation for early credit repayment if the fixed nominal interest rate is agreed for early repayment, and for the credit agreement the subject of which is purchase of real estate – if the fixed or variable interest rate is agreed.

Compensation referred to in paragraph 2 hereof may be agreed up to the amount of sustained loss due to early repayment, but may not exceed 1% of the amount of credit repaid early, if the period of time between the early repayment and the agreed term for fulfilment of the obligation under the credit agreement exceeds one year; if the period is shorter, this compensation may not exceed 0.5% of the amount of credit repaid early.

The bank may claim compensation referred to in paragraph 2 hereof provided the amount of early repayment exceeds 1,000,000 dinars within any twelve-month period.

Compensation referred to in paragraph 2 hereof may not be claimed:

– if the repayment has been made under an insurance contract intended to provide a credit repayment guarantee;

– in the case of authorised overdraft facilities;

– if repayment is made within a period for which the variable nominal interest rate is agreed, with the exception of credits the subject of which is purchase of real estate.

Compensation referred to in this Article shall in no case exceed the amount of interest the consumer would have paid during the period between the early repayment and the agreed date for fulfilment of the obligation under the credit agreement.

Loss referred to in this Article shall imply the difference between the interest rate agreed with the consumer and the market interest rate at which the bank can lend out the amount repaid early at the time of early repayment, including administrative costs.

The provisions hereof shall also apply to a leasing agreement.

5. Rights concerning an account

Article 37

The consumer shall have the right to withdraw in cash, free of charge, funds from his dinar or foreign-currency account at a bank where this account is opened.

The consumer shall have the right to withdraw the funds from his account, free of charge, as soon as inflow is recorded.

By way of derogation from paragraph 2 hereof, if the consumer is withdrawing in cash the amount exceeding 600,000 dinars, the bank may pay him these funds, free of charge, within the next two working days at the latest.
The provision of paragraph 3 hereof shall also apply to foreign-currency funds exceeding the equivalent of 600,000 dinars at the official middle exchange rate of the National Bank of Serbia.

The customer shall be entitled to close an account free of charge.

6. Rights concerning a payment card

Article 38

The bank shall ensure that only the consumer has access to the personal identification number until the card is delivered to him.

The bank issuing a payment card shall bear risk associated with the delivery of the payment card and the personal identification number to the consumer.

The consumer shall without delay report to the bank any loss or theft of a payment card and shall request from the bank to block its further use, and the bank shall enable him to do this at any time.

If the bank which issued a payment card does not enable the consumer to report loss, theft or transaction by unauthorised use of the payment card and/or data from the payment card, the consumer shall not bear consequences of unauthorised use, except if he himself committed fraud.

In the event of unauthorised use of a payment card and/or data from the payment card, the consumer shall as soon as this fact is made known to him, and not later than 45 days from the date the card was charged, report to the bank the transaction carried out by unauthorised use of the payment card and/or data from the payment card, in which case he may bear the loss ensuing from unauthorised use only up to the amount of 15,000 dinars.

The consumer shall bear all losses relating to any transaction made as a consequence of fraud committed by himself, and shall also bear losses resulting from his failure to fulfil his obligations arising from prescribed conditions for issuing and use of a payment card, obligation to report without delay to the bank any loss, theft and abuse of the payment card and obligation to adequately safeguard the personal identification number.

The consumer shall not bear losses relating to transactions made after the loss, theft or unauthorised use of the payment card and/or data from the payment card, unless he himself committed fraud or participated in fraud or acted with an intention to commit fraud.

The customer shall be entitled to extinguish a payment card free of charge.

7. Assignment of claims

Article 39

In the event of assignment of the bank's claim under a credit agreement to another bank, the consumer shall retain all agreed rights in relation to the assignee bank that he had in relation to the original bank, including the right to complaint, and the assignee bank may not place the consumer in less favourable position than the position he would have if the claim had not been assigned and the consumer may not be subject to additional costs as a result of the assignment.

The bank may assign a claim under one agreement only to one bank.

The bank shall inform the consumer of the assignment of claim referred to in paragraph 1 hereof.
Provisions hereof shall apply by analogy to the assignment under a leasing agreement, agreement on authorised overdraft, agreement on issuing and use of a payment card and agreement on opening and maintaining an account.

Section 5

Linked credit agreements

Article 40

If the consumer exercises his right to withdrawal from the agreement on purchase of goods or provision of service in accordance with the law regulating consumer protection, he shall not be bound by the linked credit agreement.

In case referred to in paragraph 1 hereof, the seller shall notify the bank of the withdrawal from the agreement for purchase of goods or provision of a service within eight days and the bank shall return to the consumer the repaid amount of credit with interest that the consumer has repaid to bank by the time of withdrawal, without delay and not later than 30 days after being notified of the withdrawal.

If the agreement on purchase of goods or provision of a service is concluded, and the credit under a linked credit agreement is not approved, the agreement on purchase of goods or provision of service shall be terminated, unless the person who has not been approved a credit decides to keep that agreement in force.

The provisions hereof shall also apply by analogy to a leasing agreement.

Section 6

Unfair contractual provisions and unfair dealing

Article 41

Provisions of the law regulating consumer protection shall apply by analogy to unfair contractual provisions and unfair dealing, as well as to the procedure for their prohibition.

Section 7

Exercising consumer’s rights and interests

1. Right to complaint and information on the complaint

Article 42

The consumer using banking services or leasing services shall be entitled to a written complaint to the provider of these services if he thinks that the provider fails to abide by legal provisions, general terms of business, good business practice and obligations under the agreement concluded with the consumer.

If he is not satisfied with the answer of the service provider referred to in paragraph 1 hereof, or the provider fails to reply within 30 days, the consumer may inform the National Bank of Serbia of his complaint.

The National Bank of Serbia shall prescribe the procedure for filing the complaint referred to in paragraph 1 hereof, procedure for action of providers of banking services and leasing service in response to that complaint and the procedure for action of the National Bank of Serbia in response to the information referred to in paragraph 2 hereof.
Article 43

After being notified as provided in Article 42, paragraph 2 hereof, the National Bank of Serbia shall request from the service provider referred to in paragraph 1 of that Article to respond to the consumer’s statement given in that information, within eight days from the receipt of that request.

If the service provider referred to in paragraph 1 hereof does not respond within the period provided or responds and the National Bank of Serbia establishes that no violations referred to in Article 50 hereof are involved, the consumer or the service provider may propose mediation of the National Bank of Serbia for out-of-court settlement of the dispute.

The National Bank of Serbia shall act upon the complaints of consumers of insurance services and services of voluntary pension fund management companies in accordance with special laws regulating the operation of the providers of these services.

2. Out-of-court dispute settlement

Article 44

A dispute arising from the agreement concluded between the consumer and provider referred to in Article 42, paragraph 1 hereof may be resolved in the out-of-court procedure – mediation procedure.

The mediation procedure shall not be implemented if the dispute arose due to infringements referred to in Article 50 hereof.

The mediation procedure shall be instituted by accepting the proposal to institute such procedure.

The mediation procedure shall be confidential and urgent.

The mediation procedure shall be carried out by employees of the National Bank of Serbia – mediators, who have been appointed mediators by a decision of an authorised body in the Republic of Serbia, and/or those who are licensed as mediators and are included on the list of mediators.

The parties in the dispute may decide to carry out mediation before another body in charge of mediation.

The mediation procedure before the National Bank of Serbia shall be free of charge for the parties in that procedure.

The mediation procedure may be concluded by settlement between the parties, suspension or abandonment.

The settlement reached in the course of mediation shall not have the power of a motion to enforce.

Provisions of laws and other regulations governing mediation shall apply by analogy to the mediation procedure.

3. Action by the National Bank of Serbia

Article 45

If the National Bank of Serbia, on the basis of facts in information referred to in Article 42, paragraph 2 hereof, and after the response of the service provider concerning these facts, establishes that violations referred to in Article 50 hereof are involved, it shall issue a ruling ordering the provider concerned to eliminate the
illegalities and to present evidence to this effect within the time set by the said ruling. By the same ruling, the National Bank of Serbia shall impose a fine referred to in Article 50 hereof, and that ruling, after being delivered to the service provider, shall become final and represent an enforcement document.

If the service provider after imposition of the fine referred to in paragraph 1 hereof fails to submit evidence of having eliminated the illegalities referred to in that paragraph within the period set by the same ruling on imposition of the fine, the National Bank of Serbia shall impose a fine in double amount and that ruling, after being delivered to the service provider, shall be final and represent an enforcement document.

The National Bank of Serbia shall inform the consumer of the measures undertaken.

The fine referred to in this Article shall be paid in the account of the National Bank of Serbia.

The National Bank of Serbia shall publicise information, on its website or in another manner, on providers who have been found to act in contravention to this Law.

4. The right to court protection

Article 46

Instituting and engaging in the mediation procedure between the consumer and provider of service shall neither exclude nor affect the right to court protection, in accordance with law.

Chapter III

FINANCIAL ARRANGEMENTS OFFERED BY THE VENDOR

Advertising and offer

Article 47

When advertising and offering a financial arrangement offered by the vendor (hereinafter: financial arrangements), particularly sale involving the payment of price in instalments, the vendor shall in particular specify data on the goods or service, cash price, as well as the amount to be paid upfront, as downpayment or first instalment.

If the financial arrangement with a 0% interest rate is advertised for the sale of goods, all benefits enjoyed by the consumer who pays the price in cash shall be specified as well.

If sale involving the payment of price in instalment, which is considered as crediting the consumer within the meaning of the present Law, is advertised, the difference between the price with deferred payment and the price with cash payment shall be disclosed in percentages.

The minister in charge of consumer protection shall prescribe the layout and contents of the form of the financial arrangement offer.
Analogous application

Article 48

Provisions of Chapter II of this Law, except for provisions of Section 7 of that Chapter, shall apply by analogy to financial arrangements.

Chapter IV
SUPERVISION

Article 49

The National Bank of Serbia shall supervise financial services providers, except for providers of financial arrangements, in accordance with this Law, the law regulating the National Bank of Serbia, and the laws regulating banks, lessors, insurance companies and voluntary pension fund management companies.

The ministry in charge of consumer protection shall supervise providers of financial arrangements in accordance with the law regulating consumer protection.

Chapter V
FINES

Article 50

A bank/lessor shall be fined from 500,000 to 800,000 dinars:

1) if agreements contain provision with reference to business policy as regards elements of the agreement deemed compulsory under this Law (Article 8, paragraph 5 hereof);

2) if it acts contrary to the provisions of Article 8, paragraph 6 hereof;

3) if the credit agreement does not contain compulsory elements referred to in Article 19, paragraph 1 hereof;

4) if the agreement on authorised overdraft does not contain compulsory elements referred to in Article 20, paragraph 1 hereof;

5) if the leasing agreement does not contain compulsory elements referred to in Article 21, paragraph 1 hereof;

6) if the agreement on payment card issuing and use does not contain compulsory elements referred to in Article 22, paragraph 1 hereof;

7) if the deposit agreement does not contain compulsory elements referred to in Article 23, paragraph 1 hereof;

8) if the agreement on account opening and maintenance does not contain compulsory elements referred to in Article 24, paragraph 1 hereof;

9) if it negotiates the variable interest rate contrary to Article 26, paragraphs 1 to 3 of this Law or fails to abide by the contractual terms;

10) if it fails to obtain written consent for the change of compulsory elements of the agreement or if it unilaterally changes the terms of the agreement or unilaterally terminates or withdraws from the agreement (Article 28 hereof);

11) if it fails to notify the consumer of the change in the agreed variable nominal interest rate and variable elements that affect the amount of other pecuniary liabilities before it starts to implement them, or periodically as provided for by the
agreement and if it fails to specify the date as of which these elements are applied (Article 29, paragraphs 1 and 4 hereof);

12) if it fails to deliver, free of charge, the modified credit repayment/rentals payment schedule along with the information on the change in the variable nominal interest rate (Article 29, paragraphs 2 and 3 hereof);

13) if it fails to apply the official middle exchange rate when approving credit/leasing indexed to foreign currency and/or for their repayment (Article 34 hereof);

14) if it fails to apply the same method of interest calculation on special purpose deposit as the method applied to interest calculation on the amount of approved credit (Article 35 hereof);

15) if it collects the fee for early repayment contrary to the provisions of Article 36 hereof;

16) if it does not make available to the consumer to withdraw funds from his account in cash or foreign cash without any charges (Article 37, paragraph 1 hereof);

17) if it fails to make available to the consumer to withdraw the funds from his account, free of charge, as soon as inflow is recorded (Article 37, paragraph 2 hereof);

18) if it fails to make available to the consumer to withdraw the amount exceeding 600,000 dinars, free of charge, within two working days (Article 37, paragraph 3 hereof);

19) if it fails to make available to the consumer to withdraw, free of charge, foreign currency in the amount exceeding the equivalent of 600,000 dinars at the official middle exchange rate within two working days (Article 37, paragraph 4 hereof);

20) if it charges the consumer for account closing (Article 37, paragraph 5 hereof);

21) if it charges the consumer for extinguishing a payment card (Article 38, paragraph 8 hereof);

22) if it assigns the claim in contravention to Article 39 hereof;

23) if it fails to act in the manner referred to in Article 54 hereof.

Chapter VI
PENALTY PROVISIONS

Article 51

A bank, lessor or a vendor who is a legal entity shall be fined from 500,000 to 2,000,000 dinars for infringement:

1) if it fails to advertise financial services in clear and understandable manner, and/or if the advertisement contains incorrect information and/or information misleading about the terms under which the consumer uses these services (Article 6 hereof);

2) if the agreement is not made in writing or on another durable medium (Article 7, paragraph 1 hereof);

3) if every contracting party does not obtain a copy of the agreement (Article 7, paragraph 2 hereof);
4) if it fails to ensure, through its general terms of business, the application of good business customs, good business practices and fair treatment of the consumer, as well as compliance of these terms with the regulations (Article 9, paragraph 2 hereof);

5) if it does not make available to the consumer to get acquainted on the bank’s/lessor’s/vendor’s business premises, at least 15 days prior to their implementation, with the general terms of business in the Serbian language and/or does not provide him with relevant explanations and instructions referring to the application of these terms in respect of a specific financial service and fails to provide him with these terms, on request, in writing or on another durable medium (Article 10 hereof);

6) if it does not calculate the effective interest rate in the prescribed manner (Article 11 hereof);

7) if it requests from the consumer any charge other than principal and interest in the event of consumer’s withdrawal from the credit agreement (Article 12, paragraph 4 hereof);

8) if it requests from the consumer any charge other than the leasing object, interest and compensation of loss in the event of consumer’s withdrawal from the leasing agreement (Article 12, paragraph 5 hereof);

9) if it requests from the consumer any charge other than the object of sale, interest and compensation of loss in the event of consumer’s withdrawal from the financial arrangement (Article 12, paragraph 6 hereof);

10) if it fails to provide the consumer with information, data and instructions referring to his contractual relationship with the financial service provider in the prescribed manner (Article 13 hereof);

11) if it fails to arrange for training of employees engaged in selling financial services or advising consumers (Article 14, paragraph 2 hereof);

12) if when advertising deposit and credit services and leasing transactions it fails to state precisely and clearly, by means of a representative example, the data referred to in Article 15 hereof (Article 15, paragraphs 1 and 2 hereof);

13) if the value of the effective interest rate is not specified in advertisements or is not written in such a way that it is more prominent than other elements (Article 15, paragraph 3 hereof);

14) if the existence of the obligation to conclude a contract on ancillary services is not stated in a clear, concise and prominent way, together with the effective interest rate (Article 16, paragraph 1 hereof);

15) if when advertising credit or leasing with a 0% nominal interest rate, it fails to indicate all terms of that credit or leasing (Article 16, paragraph 2 hereof);

16) if it uses terms such as ‘free’ or ‘similar’ to advertise credit or leasing without indicating additional costs in connection with the conclusion of another contract or any other ground that represents cost for the consumer or creates another obligation (Article 16, paragraph 3 hereof);

17) if the offer does not contain data referred to in Article 17, paragraphs 4 to 6 hereof;

18) if it fails to inform the consumer, immediately and free of charge, of the results of consultation of a database and of the data consulted (Article 18, paragraph 3 hereof);
19) if on conclusion of the credit agreement, authorised overdraft agreement, leasing agreement or deposit agreement it fails to deliver a summary of compulsory elements of the respective credit/leasing/deposit, credit repayment/rentals payment/deposit payment schedule (Article 19, paragraph 4, Article 20, paragraph 3, Article 21, paragraph 3 and Article 23, paragraph 3 hereof);

20) if it fails to fulfil obligations referred to in Article 24, paragraphs 2 and 3 hereof;

21) if it does not display on its business premises information referred to in Article 26, paragraph 4 hereof;

22) if agreements on other banking services do not contain the kind and amount of all fees and other costs charged to the consumer (Article 27 hereof);

23) if it fails to inform the consumer in due time and in the agreed manner of any changes in data that do not constitute compulsory elements of the agreement within the meaning of this Law (Article 30 hereof);

24) if it fails to apply on due outstanding liability the rules on interest charged in case of payment arrears set by the law regulating contracts and torts (Article 32, paragraph 1 hereof);

25) If it fails to act in the manner referred to in Article 33 hereof;

26) if it does not make available to the consumer to report loss, theft or transaction by unauthorised use of the payment card and/or data from the payment card at any time and if it does not make available to the consumer to request the blockade of its further use (Article 38, paragraphs 3 and 4 hereof);

27) if it does not compensate the losses incurred by unauthorised use of a payment card (Article 38, paragraphs 5 and 7 hereof).

A vendor who is a sole proprietor shall be fined 100,000 to 500,000 dinars for acts specified in paragraph 1 of this Article.

The responsible person in a bank/lessor shall also be fined 50,000 to 150,000 dinars for infractions specified in paragraph 1 of this Article.

Chapter VII
TRANSITIONAL AND FINAL PROVISIONS

Article 52

Regulations for the implementation of this Law shall be adopted within three months from its coming into force.

Article 53

Financial services providers shall make their internal regulations compliant with the provisions of this Law and regulations referred to in Article 52 within three months from the adoption of these regulations.

Article 54

Provisions of Article 8 and Article 26, paragraphs 1 to 3 hereof shall apply to all liabilities under agreements which fall due after the date when the implementation of this Law begins.

Financial services providers shall by the date the implementation of this Law begins harmonise the agreements concluded before that date with the provisions of
Article 8 and Article 26, paragraphs 1 to 3 in such a way that the amount of the agreed variable indefinable nominal interest rate and/or the variable indefinable element of that rate cannot exceed their initial value (value at the time of agreement conclusion).

From the date the present Law comes into force until the date its implementation begins, financial services providers shall not increase interest rates using agreed indefinable elements.

Financial services providers shall not charge consumers any fee for harmonisation of the agreement in the manner prescribed by paragraph 2 hereof, nor request any additional documentation for this purpose.

**Article 55**

The National Bank of Serbia and/or the ministry in charge of consumer protection shall undertake measures against financial services providers who fail to act in the manner laid down in Article 53, in accordance with the provisions regulating their respective operation.

**Article 56**

This Law shall come into force on the eighth day following its publication in the RS Official Gazette and shall apply after the expiry of six months from its coming into force, with the exception of the provision of Article 38, paragraph 5, which shall apply from 1 January 2012.