

Decision Enacting The Law On Banks Of The Republika Srpska

In the exercise of the powers vested in the High Representative by Article V of Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said Agreement on the Civilian Implementation of the Peace Settlement; and considering in particular Article II.1. (d) of the last said Agreement, according to the terms of which the High Representative shall "Facilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation";

Recalling paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative's intention to use his final authority in theatre regarding interpretation of the Agreement on the Civilian Implementation of the Peace Settlement in order to facilitate the resolution of any difficulties as aforesaid "by making binding decisions, as he judges necessary" on certain issues including (under sub-paragraph (c) thereof) "measures to ensure implementation of the Peace Agreement throughout Bosnia and Herzegovina and its Entities";

Considering that the business environment requires a sound and reliable banking system where banks are subject to strict rules inter alia with respect to paid in share capital, investments in legal entities, governance, security of public revenue funds, fighting against money laundering and liabilities of bank owners and managers;

Noting that in February 2002 the Republika Srpska authorities received for harmonization purpose the output of the working group established in order to upgrade the Law on Banks of the Federation of Bosnia and Herzegovina;

Further noting that a consolidated Law on Banks was approved in first reading by the National Assembly of the Republika Srpska;

Bearing in mind the necessity to harmonize the Laws on Banks of the Entities and thus to strengthen public confidence and that of investors in the credibility of the banking system and in the will to avoid bankruptcy or provisional administration of banks because of deficiencies of regulatory provisions.

Having considered the totality of the matters aforesaid, the High Representative hereby issues the following

DECISION

Enacting THE LAW ON BANKS OF THE REPUBLIKA SRPSKA

The Law which follows, and of which forms an integral part of this Decision, shall come into effect pursuant to article 132 thereof but on an interim basis until such time as the Republika Srpska Legislature adopts the same in due form, without amendment and with no conditions attached. This Decision shall come into effect forthwith and shall be published without delay in the Official Gazette of the Republika Srpska.

Sarajevo, October 2002

*Paddy Ashdown
High Representative*