

# LAW

## ON FOREIGN EXCHANGE OPERATIONS

(Consolidated)<sup>1</sup>

### I. BASIC PROVISIONS

#### Article 1

This Law governs:

- 1) payments, collections and transfers between residents and non-residents in foreign means of payment and in dinars;
- 2) payments, collections and transfers between residents in foreign means of payment;
- 3) purchase and sale of means of payment between residents and non-residents, as well as the purchase and sale of foreign means of payment between residents;
- 4) unilateral transfers of means of payment from and into the Republic of Serbia (hereinafter: the Republic) which do not have the characteristics of transactions performed between residents and non-residents;
- 5) current and deposit accounts of residents abroad and of residents and of non-residents in the Republic;
- 6) credit operations in foreign exchange in the Republic and foreign credit operations.

### II. DEFINITIONS

#### Article 2

Under the terms hereof:

**(1) Resident** means:

- 1) a legal entity registered and headquartered in the Republic;
- 2) an entrepreneur – natural person registered in the Republic and pursuing a legally permitted profit-oriented activity as a profession;
- 3) a branch of a foreign legal entity entered into the register with the competent authority in the Republic;
- 4) a natural person residing in the Republic, except for a natural person holding a temporary residence abroad for over a year;
- 5) a natural person – foreign citizen residing in the Republic based on a residence permit, and/or work visa for over a year, except for diplomatic-consular representatives of foreign countries and members of their families;

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<sup>1</sup> The consolidated version of the Law is based on the Law on Foreign Exchange Operations (RS Official Gazette, No 62/2006) and amendments and supplements to that Law published in the RS Official Gazette, Nos 31/2011, 119/2012, 139/2014, 30/2018 and 19/2025.

6) beneficiaries of the budget funds of the Republic of Serbia, beneficiaries of funds of mandatory social insurance organisations, and beneficiaries of funds of local government budgets, as well as other public funds beneficiaries included in the consolidated treasury account system;

7) a diplomatic, consular or other representative office abroad financed from the budget of the Republic, domestic citizens employed in those offices, as well as their family members.

(2) **Non-residents** are all persons that are not listed in item 1 hereof.

(3) **Bank** is a resident joint-stock company with a head office in the Republic, which holds an operating license granted by the National Bank of Serbia and performs deposit and credit operations, payment operations and foreign credit operations, as well as other activities in compliance with law.

(3a) **Payment institution** is a resident legal entity with a head office in the Republic which is licensed by the National Bank of Serbia to provide payment services as a payment institution, in accordance with the law governing payment services.

(3b) **Electronic money issuer** is an entity with a head office in the Republic which issues electronic money, in accordance with the law governing payment services, as well as a foreign electronic money institution, and/or a non-resident legal entity carrying out operations corresponding to the operations of an electronic money institution within the meaning of the law governing payment services.

(4) **Means of payment** are dinars and foreign means of payment.

(5) **Foreign means of payment** are:

- 1) foreign exchange – external claims denominated in foreign currency;
- 2) foreign cash – claims in cash, and/or banknotes and coins denominated in foreign currency.

(6) **Payment instruments** are: cheques, bills of exchange, letters of credit, remittances, payment cards and other payment instruments – claims on the non-resident issuer, denominated in foreign currency and cashable in foreign currency.

(7) **Securities** are securities as determined by the law governing the capital market.

(8) **Domestic securities** are securities issued by a resident in the domestic and foreign market, and may also be denominated in foreign currency if so prescribed by a separate law.

(9) **Foreign securities** are securities issued by a non-resident.

(10) **Long-term securities** are debt securities with the maturity over one year.

(11) **Short-term securities** are debt securities with the maturity up to one year.

(12) **Financial derivatives** are financial instruments as defined by the law governing the capital market.

(13) **Foreign exchange market** is the market where foreign exchange and foreign cash are purchased and sold.

(14) **Exchange operations** are the activities of purchase and sale of foreign cash and cheques denominated in foreign currency, from and to natural persons.

(15) **Current transactions** are transactions concluded between residents and non-residents for purposes other than the transfer of capital.

**(16) Capital transactions** are transactions between residents and non-residents for the purpose of transferring capital.

Capital transactions from paragraph 1 hereof include:

- direct investment,
- investment in real estate,
- securities transactions,
- financial derivative transactions,
- transactions with investment and voluntary pension funds,
- credit operations,
- guarantee operations,
- deposit operations,
- operations based on an insurance contract in line with the law governing insurance,
- unilateral transfers of means of payment (personal and physical).

**(17) Direct investments** are resident's investments into a legal entity abroad and non-resident's investments into a legal entity in the Republic for the purpose of becoming involved in the management of such legal entity's activities.

The investment referred to in paragraph 1 hereof shall include: incorporation of a legal entity, branch or representative office, purchase of stake or shares in the capital of a legal entity, recapitalisation of a legal entity, and any other form of investment whereby the investor acquires more than a 10% stake in share capital, and/or more than 10% of voting rights, in a period not longer than one year following the first investment into that legal entity in the event of successive investments (for the purpose of reaching the 10% threshold).

The investment referred to in paragraph 1 hereof shall also include credits and loans with a maturity of five years or longer provided they have the characteristics of subordinated claims (subordinated credits and loans).

**(18) Securities transactions** are transactions with long-term and short-term securities and equity securities.

**(19) Credit operations** are credit operations in the Republic and foreign credit operations.

**(20) Credit operations in the Republic** are credits granted by a bank to a resident in foreign exchange.

**(21) Foreign credit operations** are credits, granted by a bank or a foreign bank, and loans between residents and non-residents, on which residents report to the National Bank of Serbia.

Credit operations from paragraph 1 hereof are:

- commercial credits and loans in foreign exchange and dinars related to foreign trade in goods and services, which include deferred and advance payments of goods and services up to one year with interest, and/or over one year. Commercial credits and loans are also understood to mean the financing of deferred and advance payments of goods and services granted by a creditor or lender to a debtor – buyer in foreign trade in goods and services by settling the liability directly to the seller at the order of the buyer,

– financial credits and loans in foreign exchange granted by a creditor and/or lender to a debtor by crediting the debtor's account. Financial credits and loans are also understood to mean all types of financing granted by banks, foreign banks and other foreign financial institutions. Financial credit is also understood to mean the financing, granted by a bank, of trade in goods or the provision of services in which no resident is participating.

Commercial and financial credits and loans may be granted to a debtor by a single creditor and/or lender or by a group of creditors or lenders (syndicated credit or loan).

Foreign credit operations from paragraph 1 hereof also include:

– subordinated credits and loans in foreign exchange from item (17), paragraph 3 hereof,

– short-term time bank deposits in foreign exchange with the maturity of up to one year, contracted between a bank and a foreign bank, where the creditor bank credits the account of the debtor bank,

– short-term bank credit lines in foreign exchange with the term of repayment of up to one year, contracted between a bank and a foreign bank, where the creditor bank makes payments at the order of the debtor bank,

– other operations having the characteristics of foreign credit operations.

Foreign credit operations from paragraph 1 hereof also include:

– bank guarantees, sureties and other types of warranties issued by a bank in favour of a non-resident creditor against foreign credits taken by residents and foreign credit operations between two non-residents abroad,

– warranties and other collaterals that a resident legal entity and entrepreneur issue in favour of a non-resident creditor against foreign credits taken by residents, as well as warranties and other collaterals that a resident legal entity issues against foreign credit operations between two non-residents abroad.

Foreign credit operations shall also include dinar credits and loans granted to residents in accordance with the provisions of this Law by international financial organisations and development banks or financial institutions founded by foreign states, as well as credits in dinars that banks grant to non-residents.

**(21a) Guarantee operations** are the operations of issuing and obtaining guarantees, sureties, warranties and other collaterals, performed by a bank in accordance with banking regulations, with the exception of guarantees from item (21), paragraph 5, indent 1 of this Article.

Guarantee operations also include:

– warranties that a resident legal entity issues to a non-resident under foreign trade in goods and services and performance of construction works in the Republic;

– guarantees and warranties that a resident legal entity obtains from a non-resident under foreign trade in goods and services and performance of construction works abroad, as well as under operations with another resident legal entity in the Republic,

– guarantee operations performed by a resident legal entity founded by the Republic pursuant to a separate law for the purposes of export financing.

**(22) Deposit operations**, within the meaning of this Law, are operations based on the deposit contract concluded between a non-resident and a bank, as well as between a resident and a bank abroad.

**(23) Operations based on insurance contract** include payments of premiums and insured sums based on a contract concluded between a non-resident insurance company and a resident insured, as well as between a resident insurance company and non-resident insured, in accordance with the law governing insurance.

**(24) Currency clause** means contracting the value of a liability in foreign currency (currency of liability) in the Republic, with the payment and collection under such contracts executed in dinars (payment currency).

**(25) Personal transfer of means of payment** is the transfer of funds abroad from the Republic or from abroad to the Republic which is not based on the execution of a transaction – it is performed between a resident natural person and a non-resident, and includes gifts and aid, inheritance, annuities, settlement of immigrants' debt and transfer of emigrants' funds.

**(26) Physical transfer of means of payment** is any transfer of cash in dinars, as well as transfer of foreign cash and securities from the Republic and into the Republic.

### III. CURRENT TRANSACTIONS

#### Article 3

Payment, collection and transfer under current transactions between residents and non-residents shall be executed freely, in accordance with this Law.

Payments and transfers under current transactions shall include, without restrictions, the following:

- 1) payments under foreign trade transactions and other external current transactions within the meaning of the law governing foreign trade;
- 2) payments with regard to repayment of a part of principal and interest on credits;
- 3) return of investment funds, as well as transfer abroad and repatriation of profit from direct investments;
- 4) transfers in favour of natural persons with regard to: pensions, disability pensions and other social benefits, transfers with regard to taxes and fees, interstate cooperation, liquidated damages under insurance contracts, transfers with regard to final and enforceable decisions, transfers with regard to gains from lotteries, concession compensations, subscriptions and penalties, and other transfers, as well as transfers with regard to costs of family sustenance.

#### Article 4

Exports and imports of goods or services contracted in foreign exchange or in dinars for which payment has not been collected and/or made for longer than one year from the day of execution of exports or imports, as well as goods or services that were not exported and/or imported for longer than one year from the day the advance payment in foreign exchange or in dinars was made and/or collected shall be deemed commercial credits and loans.

## **Article 5**

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## **Article 6**

A resident legal entity, branch of a foreign legal entity and entrepreneur may offset their debts and claims under foreign trade in goods and services effected by residents, provided the foreign trade operation is not considered a commercial credit or loan.

The manner of performing the operations from paragraph 1 hereof shall be prescribed by the Government.

A bank, resident legal entity, entrepreneur and branch of a foreign legal entity may offset their debts or claims under foreign credit operations in foreign exchange with claims or debts under such operations, foreign trade in goods and services, and direct investment and investment in real estate referred to in Articles 11 and 12 of this Law, in the manner prescribed by the National Bank of Serbia.

## **Article 7**

Banks, and/or residents, except for resident natural persons, and non-residents may transfer, and/or pay or collect claims and debts arising from residents' foreign trade in goods and services, provided the foreign trade operation is not considered a commercial credit or loan.

The operations from paragraph 1 hereof may be performed only based on a contract between the transferor and the transferee of claims and debts, where the transferor shall notify the debtor under the underlying operation of the transfer of claims performed, and/or obtain the creditor's consent under the underlying operation for the transfer of debts.

The contract from paragraph 2 hereof shall contain in particular identification details of the contracting parties, data on the grounds of claims and debts being transferred, including data on the debtor and/or creditor, as well as data on the currency and amount of claims and debts being transferred.

The claims and debts under foreign trade in goods and services of a resident public enterprise and a legal entity with state-owned capital or a legal entity in the process of restructuring or privatization may be transferred, and/or paid or collected only based on a contract, consent or statements signed by all parties to the transaction, subject to prior consent of the Government, except for claims and debts of a resident legal entity founded by the Republic by a separate law for export financing purposes.

## **Article 8**

A resident may not effect collection, make payment or issue a payment order, and/or execute transfer to a non-resident on the basis of a contract where the actual price has not been stated or on the basis of a false document.

## **Article 8a**

(deleted)

## **Article 9**

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# **IV. CAPITAL TRANSACTIONS**

## **Article 10**

Payment, collection and transfer under capital transactions between residents and non-residents shall be executed freely, unless stipulated otherwise by this Law.

### **1. Direct investment of residents and non-residents**

#### **Article 11**

Payment and transfer of capital under outward direct investment by resident legal entities, entrepreneurs and natural persons shall be executed freely, in accordance with the law governing foreign trade.

Payment and transfer of capital under direct investments of non-residents in the Republic shall be executed freely, in accordance with the law governing foreign investment.

#### **Article 11a**

Resident legal entities, entrepreneurs and natural persons may make payment and collection for the purpose of buying and selling a stake in capital of a foreign legal entity abroad provided such purchase and sale do not constitute direct investment.

Non-residents may make payment and collection for the purpose of buying and selling a stake in the capital of a resident legal entity provided such purchase and sale do not constitute direct investment, in accordance with the law governing companies.

### **2. Investment in real estate**

#### **Article 12**

Payments made for the purpose of acquiring ownership of real estate by residents abroad and non-residents in the Republic shall be made freely, in accordance with the law governing legal property relations.

### **3. Securities transactions**

#### **Article 13**

Resident legal entities, entrepreneurs and natural persons may make payment and collection for the purpose of buying and selling equity securities abroad that do not constitute direct investment.

The residents referred to in paragraph 1 hereof may make payment and collection for the purpose of buying and selling long-term debt securities issued by the EU, EU and OECD member states, international financial organisations and development banks or financial institutions founded by foreign states, as well as those issued by legal entities with a head office in EU member states.

The residents referred to in paragraph 1 hereof may make payment and collection for the purpose of buying and selling other long-term debt securities abroad whose level of risk (rating) and issuer country are prescribed by the National Bank of Serbia.

Residents may make payment and collection for the purpose of buying and selling domestic securities that are denominated in foreign currency and issued abroad.

Banks may freely make payment and collection based on the purchase and sale of equity and long-term debt securities.

The timeframe and manner of reporting on operations referred to in this Article shall be prescribed by the National Bank of Serbia.

#### **Article 14**

Non-residents may make payment and collection for the purpose of buying and selling long-term debt and equity securities in the Republic, in accordance with the law governing the capital market.

The timeframe and manner of reporting on operations referred to in paragraph 1 hereof shall be prescribed by the National Bank of Serbia.

#### **Article 15**

Resident legal entities, entrepreneurs and natural persons may make payment and collection for the purpose of buying and selling short-term securities issued by the EU, EU member states, international financial organisations and development banks or financial institutions in which EU member states participate, as well as those issued by legal entities with a head office in these states.

Banks may freely make payment and collection based on the purchase and sale of short-term securities issued by the EU, EU and OECD member states, international financial organisations and development banks or financial institutions in which EU and OECD member states participate, as well as those issued by legal entities with a head office in these states.

Non-residents with a head office and/or permanent residence in EU member states may make payment and collection for the purpose of buying and selling short-term securities in the Republic, in accordance with the law governing the capital market.

The timeframe and manner of reporting on operations referred to in this Article shall be prescribed by the National Bank of Serbia.

### **4. Financial derivative transactions**

#### **Article 16**

Payment, collection, transfer, offsetting and reporting on financial derivative transactions shall be performed under the terms and conditions prescribed by the National Bank of Serbia.

### **5. Transactions with investment and voluntary pension funds**

#### **Article 17**

Resident investment and voluntary pension fund management companies may make payment and collection under outward investments in accordance with the provisions of the laws governing the operations of investment and voluntary pension funds.

Resident legal entities, entrepreneurs and natural persons may make payment and collection under investment into foreign investment funds through

intermediation of resident investment companies and investment fund management companies within the meaning of the law governing the capital market.

Non-residents may make payment and collection under investment into investment and voluntary pension funds in the Republic in accordance with the provisions of the laws governing the operations of investment and voluntary pension funds.

## **6. Foreign credit operations**

### **Article 18**

The credit operations referred to in Article 2, item (21), paragraphs 2 and 3, paragraph 4, indents 1 and 3 and paragraph 5 of this Law, shall be concluded in writing or electronically, and/or on a durable medium enabling the storage and reproduction of source data in unaltered form.

Only international financial organisations and development banks or financial institutions founded by foreign states may grant to banks, resident legal entities and resident entrepreneurs dinar credits and loans from Article 2, item (21), paragraph 6 of this Law, under the terms and conditions prescribed by the National Bank of Serbia. Only banks may grant credits in dinars to non-residents, under the terms and conditions prescribed by the National Bank of Serbia.

A bank may conclude foreign credit operations from Article 2, item (21) of this Law in its own name and for its own account, in its own name and for somebody else's account and in somebody else's name and for somebody else's account. When performing foreign credit operations, a bank shall obtain collateral instruments from the non-resident. A bank may, in accordance with banking regulations and this Law, issue bank guarantees, sureties and other types of warranties in favour of a non-resident creditor under foreign credit operations, and under credit operations between non-residents, provided that it contracts and obtains collateral instruments from the non-resident. A bank may, in accordance with banking regulations and this Law, obtain guarantees, warranties and other collaterals from non-residents under credits granted to non-residents.

A bank may participate in a syndicated financial credit or loan granted by a group of foreign creditors to a non-resident provided it contracts and obtains collateral instruments from the non-resident. A bank may participate in a syndicated financial credit or loan granted by a group of foreign creditors to a resident under the terms set out in Article 21 of this Law.

A bank may purchase claims from a non-resident participant in a syndicated financial credit or loan granted by a group of foreign creditors to the debtor, under the terms set out in paragraph 4 of this Article, as well as sell to a non-resident own claims in that regard.

A bank may participate in a syndicated commercial credit or loan granted to a resident or non-resident for the purpose of financing of deferred or advance payments under foreign trade in goods and services, purchase claims from a non-resident participant in such syndicated credit and sell to a non-resident own claims in that regard.

A resident legal entity may take foreign credits and loans and grant commercial loans to non-residents in its own name and for its own account and in its own name and for somebody else's account, while it may grant financial loans to non-residents in its own name and for its own account in accordance with Article 23 of this Law. A resident legal entity may obtain guarantees, warranties and other collaterals from non-residents under loans it grants to non-residents, while it may issue warranties and other collaterals in favour

of a non-resident creditor under foreign credit operations and credit operations between non-residents in accordance with Article 23 of this Law.

A resident legal entity founded by the Republic by a separate law for export financing purposes may engage in foreign credit operations and transfer, and/or pay or collect claims and debts under those operations in accordance with such separate law.

A resident entrepreneur may take foreign credits and loans in its own name and for its own account, issue warranties and other collaterals in favour of a non-resident creditor under foreign credits taken by residents, grant commercial loans to a non-resident and obtain guarantees, warranties and other collaterals from non-residents under credits it grants to non-residents.

A bank, resident legal entity, entrepreneur and natural person may enter into other transactions having the characteristics of foreign credit operations from Article 2, item (21), paragraph 4, indent 4 of this Law in accordance with the regulation of the National Bank of Serbia adopted based on Article 24 of this Law.

A resident natural person may take foreign credits and loans with a repayment term over one year, provided the funds are credited to the account of that resident with a bank, while a resident branch of a foreign legal entity may take such credits and loans from a non-resident founder.

A resident natural person may take credits and loans from a non-resident with a head office and/or permanent residence in an EU member state with a repayment term less than one year, provided the funds are credited to the account of that resident with a bank, while a resident branch of a foreign legal entity may take such credits and loans from the non-resident founder with a head office in an EU member state.

Without any restrictions, a non-resident may issue guarantees, warranties and other collaterals in favour of a non-resident creditor against foreign credits taken by a resident.

#### **Article 19**

A resident who concludes a foreign credit operation contract shall be responsible for the performance of obligations arising from such contract, as shall the resident under whose authorisation and for whose account such contract was concluded, and/or the bank and resident legal entity that purchases claims from such resident and/or assumes debt towards the non-resident in respect of such foreign credit operation.

The Republic and the National Bank of Serbia shall not guarantee the performance of obligations arising from foreign credit operations, except in cases envisaged by law.

A foreign credit operation contract shall be considered null and void if concluded in contravention of the provisions of paragraph 2 hereof.

#### **Article 20**

Banks, and/or residents, other than resident natural persons, and non-residents may transfer, and/or pay or collect claims and debts of residents arising from foreign credit operations.

The operations from paragraph 1 hereof may be performed only based on a contract between the transferor and the transferee of claims and debts, where the transferor

shall notify the debtor under the underlying operation of the transfer of claims performed, and/or obtain the creditor's consent under the underlying operation for the transfer of debts.

The contract from paragraph 2 hereof shall contain in particular identification details of the contracting parties, data on the grounds of claims and debts being transferred, including data on the debtor and/or creditor, as well as data on the currency and amount of claims and debts being transferred.

The claims and debts arising from a foreign credit operation of a resident public enterprise and a legal entity with state-owned capital or a legal entity in the process of restructuring or privatization may be transferred, and/or paid or collected only based on a contract, consent or statements signed by all parties to the transaction, subject to prior consent of the Government, except for claims and debts of a resident legal entity founded by the Republic by a separate law for export financing purposes.

#### **Article 21**

Foreign financial credits may be used for the payment of imports of goods and services and for financing the performance of construction works abroad, concluded by residents within the scope of their activity, as well as for the repayment of previously disbursed foreign credits (refinancing).

Residents may take foreign financial credits for other purposes as well, in the manner and under the conditions prescribed by the National Bank of Serbia.

#### **Article 22**

The National Bank of Serbia may determine the volume and conditions under which banks may take short-term time bank deposits and short-term bank credit lines from foreign banks.

#### **Article 23**

A resident legal entity may grant financial loans to a non-resident debtor, and issue warranties and other collaterals under foreign credit operations and credit operations between non-residents.

The National Bank of Serbia may prescribe the conditions and manner of performing the operations referred to in this Article.

The performance of the operations referred to in this Article may be limited by the regulation under paragraph 2 of this Article for the purpose of preserving public interest and/or financial stability.

The National Bank of Serbia shall prescribe the limitations referred to in paragraph 3 hereof in cases where those limitations are assessed as justified (case-by-case assessment principle) and taking into account the fulfilment of the objectives of the limitations thereof (targeting principle) and that the limitations are proportional.

#### **Article 24**

The conditions, timeframe and forms for reporting on foreign credit operations shall be prescribed by the National Bank of Serbia.

## ***Foreign exchange lending between residents in the Republic***

### **Article 25**

Banks may grant credits in foreign exchange to resident legal entities and entrepreneurs for the payment of imports of goods and services from abroad.

Banks may grant credits in foreign exchange to resident natural persons for the purchase of real estate in the country.

### ***Guarantee operations***

#### **Article 26**

Banks may issue and obtain guarantees, sureties, warranties and other collaterals, in accordance with banking regulations.

Exceptionally, banks may not obtain guaranties and warranties from non-residents for claims in the Republic arising from foreign credits for which the state has assumed the foreign payment obligation.

A resident legal entity founded by the Republic by a separate law for export financing purposes may perform guarantee operations in accordance with that separate law.

A resident legal entity may issue a warranty to a non-resident against claims from another resident under imports of goods and services, as well as to a non-resident performing construction works in the Republic.

A resident public enterprise and legal entity with state-owned capital or legal entity in the process of restructuring or privatisation may issue a warranty to a non-resident under operations referred to in paragraph 4 hereof under the terms and conditions prescribed by the Government.

A resident legal entity may obtain a guarantee and warranty from a non-resident under exports and imports of goods and services, the performance of construction works abroad for another non-resident, the performance of construction works of the non-resident in the Republic, as well as the operations between that resident and another resident legal entity in the Republic.

The provisions of this Article shall not apply to guarantees and warranties from Article 2, item (21), paragraph 5 of this Law, which are considered foreign credit operations and are performed in accordance with Article 18 of this Law.

## **7. Deposit operations**

### ***Residents' deposit operations abroad***

#### **Article 27**

Banks shall, without any restrictions, keep foreign exchange in bank accounts abroad.

Residents may keep foreign exchange in accounts with banks abroad under the terms and conditions prescribed by the National Bank of Serbia.

## ***Non-residents' deposit operations in the Republic***

### **Article 28**

Non-residents may hold foreign exchange and dinars in accounts with banks without any restrictions in accordance with this Law.

The conditions under which banks may open accounts for non-residents and the manner of their keeping shall be prescribed by the National Bank of Serbia.

### ***Transfer of funds to accounts abroad***

### **Article 29**

A non-resident transacting business through a non-resident account and a resident branch of a foreign legal entity transacting business through a resident account shall make transfers from those accounts to accounts abroad only after all tax liabilities to the Republic arising from the relevant business operation have been settled, of which proof issued by the competent tax authorities shall be presented.

There shall be no restrictions on the transfer of funds abroad from the foreign currency and dinar savings bank accounts of non-residents.

Foreign banks that keep funds in accounts with banks in the Republic shall not be liable to the obligation referred to in paragraph 1 hereof.

Transfers of funds abroad from non-resident accounts opened for the purposes of securities trading shall not be liable to the obligation from paragraph 1 hereof, if so envisaged by the international agreement on avoidance of double taxation.

## **8. Payments under insurance contracts**

### **Article 30**

Resident insurance companies may make payment for the purpose of depositing and investing abroad, in accordance with the provisions of the law governing insurance.

Residents may pay insurance premiums based on the insurance contract concluded with a non-resident insurance company provided such contract is allowed by the law governing insurance.

## **9. Unilateral transfers of means of payment – personal and physical**

### **Article 31**

Detailed conditions for personal and physical transfers of means of payment to and from abroad shall be prescribed by the National Bank of Serbia.

### **Article 31a**

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## **V. PAYMENT TRANSACTIONS**

### **Article 32**

International payment transactions shall be performed in foreign exchange and dinars through a bank.

Residents may perform international payment transactions also through an electronic money issuer – for the purpose of making payments and collections under electronic purchase/sale of goods and services. Residents may perform international payment transactions also through a payment institution and a public postal operator providing payment services, in accordance with the law governing payment services. Resident humanitarian organisations may receive funds from abroad through the electronic money issuer also in respect of donations for humanitarian purposes.

Residents' funds, kept with foreign electronic money institutions for the purposes of making payment and/or collection under electronic purchase/sale of goods and services, and/or in respect of receiving donations for humanitarian purposes, shall not be considered a deposit within the meaning of Article 27, paragraph 2 of this Law.

Residents from Article 36 hereof shall perform international payment transactions through the National Bank of Serbia.

Payment transactions under financial and subordinated credits and loans in foreign exchange, credits and loans taken from non-residents by resident natural persons and branches of foreign legal entities, as well as under dinar credits and loans granted to residents pursuant to Article 18, paragraph 2 of this Law, may be performed only if the residents have previously reported to the National Bank of Serbia on those operations in accordance with this Law.

Subject to the conditions from paragraph 5 hereof, payment transactions may be performed under commercial credits and loans in foreign exchange and dinars granted by a creditor or lender to a debtor – buyer in foreign trade in goods and services for the purposes of financing of deferred and advance payment of goods and services by settling the liability directly to the seller at the order of the buyer.

Payment transactions under other foreign credit operations may be performed without prior reporting to the National Bank of Serbia on those operations.

Detailed terms and conditions for performing international payment transactions under current and capital transactions shall be prescribed by the National Bank of Serbia.

### **Article 33**

A resident may make collection from and/or payment to a non-resident other than the one with regard to whom the resident has any debts and/or claims under a current or capital transaction, provided that such transaction is permitted by this Law.

A resident debtor under a dinar credit granted by an international financial organisation and development bank or financial institution founded by foreign states may make payments to an international financial organisation and development bank or financial institution founded by foreign states other than the one to which it has a liability under the relevant operation.

The operations referred to in paragraphs 1 and 2 hereof may be performed only on the basis of a contract concluded by all parties to the transaction or a resident's statement confirming notification of the transfer of claims and/or stating its consent to the transfer of debts.

The contract, and/or statement of the resident shall contain in particular identification details of all parties to the transaction, data on the grounds of the claim and debt under the underlying operation and data on the currency and amount of claims and debts being the subject of operations from paragraphs 1 and 2 hereof.

A resident public enterprise and legal entity with state-owned capital or legal entity in the process of restructuring or privatization, other than a resident legal entity founded by the Republic by a separate law for export financing purposes, may make collection from and/or payment to a non-resident other than the one with regard to whom the resident has any debts and/or claims under operations from paragraphs 1 and 2 hereof, subject to prior consent of the Government, only on the basis of a contract, consents or statements signed by all parties to the transaction.

Residents shall report any changes relating to foreign credit operations from paragraphs 1 and 2 hereof to the National Bank of Serbia in accordance with the regulation adopted pursuant to Article 24 of this Law.

#### **Article 34**

Payments, collections and transfers between residents and between residents and non-residents in the Republic shall be made in dinars.

By way of exception to the provisions of paragraph 1 hereof, payments, collections and transfers in the Republic may also be made in foreign exchange if they relate to:

1) foreign exchange lending in the country for the purposes laid down in Article 25 of this Law;

2) purchase of claims and assumption of debts from Articles 7 and 20 of this Law – based on a contract;

3) payment of deposit as collateral;

4) insurance premiums and transfers in respect of life insurance;

5) sale or lease of real estate;

6) donations for humanitarian, scientific and cultural purposes, in accordance with regulations on donations;

7) guarantee operations from Article 26 of this Law, under the underlying operation executed in foreign exchange;

8) remuneration for business travel abroad, which may also be effected in foreign cash;

9) payment of salaries to resident natural persons working temporarily abroad based on a contract on the performance of construction works abroad, as well as to the staff of diplomatic-consular representative offices, organisations within the United Nations and international financial organisations in the Republic;

10) purchase and sale of software and other digital products on the internet, delivered exclusively through telecommunications, digital or information-technology devices, under the condition that payment is made by using a payment card or electronic money through a payment service provider with a head office in the Republic.

Payment, collection and transfers may be effected in foreign exchange if they relate to programmes and projects financed from EU development assistance funds in which the Republic is involved, while the funds may be forwarded to the contracting authority and/or

beneficiary and project partners in accordance with the relevant agreement on the implementation of activities based on EU development assistance.

At the order of a non-resident buyer of goods or services to whom it has granted a commercial credit for financing of deferred and advance payment of goods and services, a bank may effect payment in foreign exchange in the Republic to a resident seller of those goods or provider of services in foreign trade.

Payment, collection and transfers in the Republic may be effected in foreign exchange under transactions regulated by the laws governing the capital market and deposit insurance.

Payment, collection and transfers in the Republic may be effected in foreign exchange also in other cases stipulated by law.

At the request of a resident, a bank may make foreign exchange transfers from the resident's foreign exchange account with that bank to the resident's foreign exchange account with another bank, while at the request of a resident natural person it may also make transfers to the foreign exchange account of a family member with that or another bank, with evidence that the family member is the spouse or relative up to the third degree of kinship.

Contracting in foreign exchange in the Republic is permitted, but any payments and collections made in relation to such contracts must be made in dinars.

The cases and conditions under which payments, collections, pay-ins and pay-outs may also be made in foreign cash shall be determined by the National Bank of Serbia.

### **Article 35**

Banks shall keep foreign exchange also with other banks, and/or with the National Bank of Serbia.

A resident legal entity, branch of a foreign legal entity and entrepreneur shall keep foreign exchange in foreign exchange accounts with banks or shall sell foreign exchange to banks.

The National Bank of Serbia shall prescribe to banks the conditions for opening and the manner of maintaining foreign exchange accounts and residents' foreign exchange savings deposits.

The level, manner of calculation and payment of interest, and the currency in which interest and the principal are paid shall be determined by the contract between the bank and the resident.

### **Article 36**

Resident beneficiaries of budget funds of the Republic of Serbia, beneficiaries of funds of mandatory social insurance organisations, and beneficiaries of funds of local government budgets, as well as other public funds beneficiaries included in the consolidated treasury account system shall hold their foreign exchange accounts with the Treasury Administration within the consolidated treasury account system maintained by the National Bank of Serbia, unless stipulated otherwise by a separate law or an international agreement, and they may sell to the National Bank of Serbia foreign exchange and foreign cash generated by their operations.

By way of exception to the provision of paragraph 1 hereof, the minister in charge of finance may approve to the beneficiary referred to in paragraph 1 hereof the opening of a foreign exchange account with an authorised bank for payments that cannot be effected through the National Bank of Serbia or the performance of individual foreign payment operations through an electronic money issuer or payment institution, provided this is required by the specific characteristics of the beneficiary's activities.

The manner of performing transactions between the National Bank of Serbia and the Treasury Administration through the consolidated treasury account system from paragraph 1 hereof shall be prescribed by the National Bank of Serbia.

### **Reporting on payment transactions**

#### **Article 37**

The National Bank of Serbia shall prescribe to residents the obligation to report on the payment, collection and transfer with regard to payment transactions from Articles 32 and 34 of this Law.

Using data from the reports referred to in paragraph 1 hereof, the National Bank of Serbia shall make a projection of the Republic's balance of payments as an analytical basis for determining monetary policy objectives and tasks and shall monitor the achievement of that projection.

## **VI. FOREIGN EXCHANGE MARKET AND EXCHANGE RATE OF THE DINAR**

### **Foreign exchange market**

#### **Article 38**

Foreign exchange and foreign cash may be purchased and sold only in the foreign exchange market and for the purposes permitted by this Law.

The purchase and sale of foreign exchange and foreign cash in the foreign exchange market in the Republic shall be performed directly:

- 1) between banks and residents, as well as between banks and non-residents;
- 2) between banks;
- 3) between banks and the National Bank of Serbia;
- 4) between residents authorised to perform exchange operations and the National Bank of Serbia;
- 5) between banks and residents authorised to perform exchange operations;
- 6) between residents referred to in Article 2, item (1), indent 6) of this Law and the National Bank of Serbia.

The purchase and sale of foreign cash in the foreign exchange market shall be performed by banks, the National Bank of Serbia, as well as by other residents who perform exchange operations in accordance with this Law.

The terms and operating procedures in the foreign exchange market shall be prescribed by the National Bank of Serbia.

#### **Article 39**

Exchange operations may be performed by:

1) banks and resident business entity performing exchange operations based on a separate law governing its activity;

2) resident legal entities and entrepreneurs authorised by the National Bank of Serbia to perform exchange operations (hereinafter: authorised exchange dealer).

The National Bank of Serbia shall issue the decision on the issue of authorisation to perform exchange operations (hereinafter: authorisation) based on a submitted application once it establishes that the applicant has met the following conditions:

- 1) that it is registered as a business entity with the relevant authority;
- 2) that it has concluded a contract with a bank on the performance of exchange operations which has no legal effect unless the business entity is authorised to perform exchange operations;
- 3) that the owner, and/or founder of the business entity, and/or director/member of the managing board and/or other responsible person of the business entity, and/or director/member of the managing board and/or other responsible person of the founder of the business entity and the employee to be directly engaged in the performance of exchange operations have not been convicted by a final judgement of a criminal offence against economy, property, life and bodily security, public order and peace, official duty, money laundering, terrorism financing and legal transactions, and/or other criminal offence and/or economic offence making this person unfit to perform exchange operations;
- 4) that the business legal entity that submits the application and the founder of the business legal entity has not been convicted by a final judgment of a criminal offence and that no criminal proceedings are conducted against it, within the meaning of the law governing the responsibility of legal entities for criminal offences, and/or that it was not convicted by a final judgment of an economic offence making it unfit to perform exchange operations, within the meaning of the law governing economic offences.
- 5) that it has appropriate organisational, human resources and technical capacity for the performance of exchange operations.

Human resources capacity for the performance of exchange operations means that employees engaged directly in the performance of exchange operations with the business entity have completed at least secondary education and are certified to engage in exchange operations, except in cases where a business entity performs exchange operations based on a separate law governing its activity.

Organisational capacity means that the business entity has adequate business space.

Technical capacity means that the business entity has adequate equipment and information system enabling the performance of exchange operations in the prescribed way.

The detailed conditions and manner of issuing authorisations under paragraph 1 hereof, and detailed conditions and manner of performing exchange operations and supervision of those operations shall be prescribed by the National Bank of Serbia.

If the conditions for the issuing of the authorisation set out in paragraph 2 hereof are not met, the National Bank of Serbia shall issue a decision rejecting the application for such authorisation.

The National Bank of Serbia shall decide on the application within 30 days from the date of receiving such application together with complete documentation.

The National Bank of Serbia may reject the application under paragraph 2 hereof if it ascertains that associates of the owner and/or founder or responsible person of the business entity – the applicant under that paragraph, are persons convicted by a final judgment of the criminal offence under paragraph 2, item 3) hereof.

An associate under paragraph 9 hereof means:

- 1) any natural person who is a member of a managing body or other responsible person with the legal entity in which a founder, owner or the responsible person of the business entity is on a managerial position or is the beneficial owner of that entity;
- 2) any natural person who is a beneficial owner of the legal entity in which a founder, owner or the responsible person of the business entity is on a managerial position;
- 3) any natural person who – jointly with a founder, owner or the responsible person of the business entity holds beneficial ownership in the same legal entity.

The National Bank of Serbia may request from the competent authority that keeps records of conviction of criminal offences data on conviction for founders and owners of the business entity, related persons of those founders and owners within the meaning of the law governing companies, responsible persons of the business entity and associates under paragraph 10 hereof, while founders and/or owners of the business entity shall, when submitting the application under paragraph 2 hereof and upon the request of the National Bank of Serbia, submit the list of associates of founders, owners and responsible persons of the business entity.

The National Bank of Serbia shall prescribe the procedure and conditions for obtaining a certificate for the performance of exchange operations and shall determine a single training programme for the performance of exchange operations and eligibility requirements for trainers.

The certificate for the performance of exchange operations shall be issued by the National Bank of Serbia, of which it shall maintain an appropriate register.

The decision of the National Bank of Serbia from paragraphs 2 and 7 hereof shall be final and an administrative dispute may be initiated against it.

### **Article 39a**

The National Bank of Serbia shall keep a register of authorised exchange dealers.

The register of authorised exchange dealers shall hold data about authorised exchange dealers and all changes pertaining to those data.

Authorised exchange dealers shall notify the National Bank of Serbia without delay about changes to the data entered in the register of authorised exchange dealers.

The register of authorised exchange dealers is a public book kept in an electronic form, and the data in the register shall be available on the National Bank of Serbia's website.

The National Bank of Serbia shall prescribe in more detail the conditions, contents and the manner of keeping the register of authorised exchange dealers, including the deletion of data from the register, as well as the obligation of authorised exchange

dealers to notify the National Bank of Serbia about changes to the data entered in that register.

### **Article 39b**

If, during the supervision procedure of exchange operations of an authorised exchange dealer, it is determined that the authorised exchange dealer has failed to comply with the provisions of this Law and/or the regulations of the National Bank of Serbia adopted based on this Law, or in accordance with the provisions of the regulations governing the prevention of money laundering and terrorism financing and the freezing of assets with the aim of preventing terrorism and the proliferation of weapons of mass destruction (hereinafter: regulations governing the prevention of money laundering and terrorism financing) and if these are minor irregularities, i.e. irregularities that do not significantly or directly affect the operations of the authorised exchange dealer – the National Bank of Serbia may adopt a decision issuing a written warning to the authorised exchange dealer.

If, during the supervision procedure of exchange operations of an authorised exchange dealer, it is determined that the authorised exchange dealer has failed to comply with the provisions of this Law and/or the regulations referred to in paragraph 1 hereof, and that these are not irregularities referred to in that paragraph – the National Bank of Serbia may issue a decision ordering the authorised exchange dealer to align its operations with this Law and/or the regulations referred to in paragraph 1 hereof.

If, during the supervision procedure of exchange operations of an authorised exchange dealer, it is determined that the authorised exchange dealer has failed to comply with the provisions of this Law and/or regulations from paragraph 1 hereof, and that these are irregularities from paragraph 2 hereof which significantly or directly affect or may affect the operations of the authorised exchange dealer, as well as in cases from Article 39c, paragraph 2 of this Law where the authorisation has not been revoked in accordance with that Article – the National Bank of Serbia may issue a decision temporarily revoking the authorised exchange dealer's authorisation for performing exchange operations at the supervised exchange office or all exchange offices, for a period of up to 30 business days.

The decision from paragraphs 1, 2 and 3 hereof shall order the authorised exchange dealer, if it has not already done so, to eliminate the identified irregularity or align its operations with the provisions of this Law and/or regulations from paragraph 1 hereof, and shall also specify the period within which it is obliged to submit a report on the eliminated irregularities to the National Bank of Serbia, with appropriate evidence.

In addition to measures from paragraphs 1, 2 and 3 hereof, the National Bank of Serbia may also impose a fine on the authorised exchange dealer, as well as on the responsible person of the authorised exchange dealer – legal entity.

The fine from paragraph 5 hereof shall be imposed on the authorised exchange dealer or the responsible person of the authorised exchange dealer as follows:

- 1) from 100,000 dinars to 3,000,000 dinars for a legal entity and from 10,000 dinars to 500,000 dinars for the responsible person of the legal entity;
- 2) from 50,000 dinars to 2,000,000 dinars for an entrepreneur.

If 10% of the total income earned by the authorised exchange dealer from paragraph 6 hereof in the past year exceeds 3,000,000 dinars for a legal entity, or 2,000,000 dinars for an entrepreneur, or if 10% of the total income earned by the responsible person of the authorised exchange dealer – legal entity in the past year exceeds 500,000 dinars – the fine from paragraph 5 hereof may be higher than the amount from paragraph 6 hereof, but not

higher than 10% of the total income of the authorised exchange dealer or the responsible person of the authorised exchange dealer – legal entity earned in the past year. The total income from this paragraph shall have the meaning specified by the law governing the protection of competition.

When imposing the measures and fines from this Article, the National Bank of Serbia shall take into account the severity of the identified irregularities and the demonstrated readiness of the authorised exchange dealer and the responsible person of the exchange dealer – legal entity to eliminate such irregularities, as well as the number of identified irregularities, their interconnectedness and duration, level of cooperation of the authorised exchange dealer and the responsible person of the exchange dealer – legal entity with the National Bank of Serbia during the supervision procedure, the past conduct of the authorised exchange dealer or whether the authorised exchange dealer and the responsible person of the exchange dealer – legal entity have behaved in a similar manner in the past and whether a measure or a fine has already been imposed on them in relation to such behaviour, as well as other relevant circumstances under which the irregularity has occurred.

The fines from this Article may also be imposed on a legal person, entrepreneur and/or natural person who, at the moment of imposing the fine, no longer has the capacity of an authorised exchange dealer, as well as on a natural person who no longer has the capacity of a responsible person of the exchange dealer – legal entity, for irregularities from paragraphs 1, 2 and 3 hereof committed while that person carried out exchange operations, or was a responsible person of the exchange dealer – legal entity.

The decision imposing the fine from this Article shall constitute an enforceable document after being delivered to the authorised exchange dealer and the responsible person of the authorised exchange dealer – legal entity, or after being delivered to the persons referred to in paragraph 9 of this Article.

If the obligation of the authorised exchange dealer or the responsible person of the authorised exchange dealer – legal entity, including persons from paragraph 9 hereof, in respect of the fine from this Article is not paid within the period specified in the decision imposing such fine, the National Bank of Serbia shall be entitled to calculate default interest on the amount of such debt.

The enforceable decisions on imposing fines from this Article are grounds for enforced collection from the account of the authorised exchange dealer and/or legal entity or entrepreneur from paragraph 9 hereof, in accordance with the law governing the enforcement of claims by debiting the client's account.

The fines from this Article shall be paid to the account of the National Bank of Serbia.

The decision of the National Bank of Serbia from this Article shall be final and an administrative dispute may be initiated against it, but an appeal against this decision may neither prevent nor delay its enforcement.

The provisions from this Article shall also apply to measures from paragraphs 1 and 2 hereof and the fines from this Article which the National Bank of Serbia may impose on a resident – business entity performing exchange operations based on a special law governing its activity, as well as on the responsible person of such resident, if the supervision procedure of such resident's exchange operations establishes that it failed to comply with the provisions of this Law and/or regulations from paragraph 1 hereof.

### **Article 39c**

The National Bank of Serbia shall issue a decision revoking the authorisation for performing exchange operations for the exchange office supervised or all exchange offices upon determining that:

- 1) the authorised exchange dealer has ceased to fulfil the conditions for performing exchange operations set out in this Law and the regulation of the National Bank of Serbia;
- 2) the authorised exchange dealer has not started performing its operations within 30 days after receiving the authorisation;
- 3) the authorisation was issued based on untrue and/or incorrect data;
- 4) the authorised exchange dealer has failed to perform exchange operations for more than five business days without a justifiable reason.

The National Bank of Serbia may issue the decision from paragraph 1 hereof upon determining that:

1) the authorised exchange dealer has seriously violated the provisions of this Law and/or regulations adopted based on this Law, taking into account the circumstances referred to in Article 39b, paragraph 8 of this Law;

2) the authorised exchange dealer has failed to comply with the National Bank of Serbia's order from Article 39b, paragraph 4 of this Law;

3) the authorised exchange dealer has failed to comply with regulations governing the prevention of money laundering and terrorism financing;

4) the authorised exchange dealer failed to enable the National Bank of Serbia or the authorised person from Article 46, paragraph 6 of this Law to perform supervision, or to access the business books and other documents, or has failed to enable access to the exchange office, or the inspection of the items, premises or other facilities associated with performing exchange operations and/or has not allowed the temporary seizure of foreign cash, cheques or other securities, dinar cash, electronic money, digital assets, payment cards, items, official documents and documentation.

By the decision from paragraphs 1 and 2 hereof, the National Bank of Serbia may also impose a fine on the authorised exchange dealer or the responsible person of the authorised exchange dealer – legal entity, in which case the provisions of Article 39b, paragraphs 6 to 14 of this Law shall apply accordingly.

The National Bank of Serbia shall issue a decision revoking the authorisation also if the authorised exchange dealer has submitted a written request to the National Bank of Serbia for a cessation of exchange operations and provided evidence that he has acted in accordance with the regulation from Article 39, paragraph 6 of this Law.

By the decision from paragraphs 1, 2 and 4 hereof, the National Bank of Serbia may order the authorised exchange dealer to take certain actions in order to fulfil the obligations associated with revoking the authorisation and/or the cessation of exchange operations, and shall also specify the period for undertaking such actions and the deadline for submitting a report on the undertaken activities, with adequate evidence, to the National Bank of Serbia.

A business entity whose authorisation for performing exchange operations in all exchange offices was revoked by the decision from paragraphs 1 and 2 hereof may not submit a new application for issuing the authorisation within five years from the day the decision was delivered. This shall also apply to persons who, on the day when the decision was issued or in the period of six months prior to that day, was the owner or the founder of such business entity, or director/managing board member and/or other responsible person of

such business entity, or the director/managing board member and/or other responsible person of the founder of such business entity, neither may, within that period, any of these persons be in any such relationship with another business entity, or a member of the same household with such persons in another business entity that has applied for the authorisation.

The decision of the National Bank of Serbia from paragraphs 1, 2 and 4 hereof shall be final and an administrative dispute may be initiated against it, but an appeal against this decision may neither prevent nor delay its enforcement.

The authorised exchange dealer may not be deleted from the business entities register kept with an organisation competent for keeping such register – even if it has submitted a registration application for deletion or if other legal requirements for such deletion have been fulfilled – before the National Bank of Serbia revokes its authorisation for performing exchange operations in all exchange offices in accordance with the provisions hereof and deletes the authorised exchange dealer from the register of authorised exchange dealers from Article 39a of this Law, the evidence of which the National Bank of Serbia shall deliver to the organisation competent for keeping the business entities register – a certificate of the National Bank of Serbia on the deletion from the register of authorised exchange dealers.

The legal entity or entrepreneur whose authorisation for performing exchange operations in all exchange offices has been revoked by the National Bank of Serbia may not submit the application from paragraph 8 hereof until it complies with the order of the National Bank of Serbia from the decision referred to in paragraph 5 hereof, that is, until it pays the fine imposed by the National Bank of Serbia in accordance with the provisions of this Law.

In the case from paragraph 9 hereof, the National Bank of Serbia shall notify the organisation competent for keeping the business entities register about the reasons from that paragraph due to which the legal entity or entrepreneur may not submit the application from paragraph 8 hereof, as well as about the fact that those reasons have ceased to exist.

If the authorised exchange dealer or legal entity or entrepreneur from paragraph 9 hereof submits the application from paragraph 8 hereof contrary to paragraphs 8 and 9 hereof – the organisation competent for keeping the business entities register shall reject such application and notify the National Bank of Serbia thereof.

## **Exchange rate of the dinar**

### **Article 40**

The exchange rate of the dinar against foreign currencies shall be established freely in the foreign exchange market, in line with foreign exchange demand and supply.

### **Article 41**

The official middle exchange rate of the dinar shall be set in the manner determined by the regulation of the National Bank of Serbia.

The official middle exchange rate of the dinar shall be applied for accounting and statistical purposes.

The official middle exchange rate of the dinar, determined on the last business day of the week preceding the week in which the amount of customs and other import duties is determined, shall be applied for the calculation of customs and other import duties, in accordance with the law governing customs.

## **VII. SAFEGUARD MEASURES**

### **Article 42**

In the event of major disruptions to the balance of payments, when capital movements, resulting from excessive inflow or outflow of capital to or from the Republic, cause or threaten to cause serious difficulties in the implementation of monetary policy and foreign exchange rate policy, the Government may, at the proposal of the National Bank of Serbia, adopt the necessary safeguard measures in respect of operations regulated by this Law.

The safeguard measures referred to in paragraph 1 hereof may be applied for the duration of disruptions on account of which they were adopted, but not longer than six months following their adoption.

### **Article 43**

If necessary, the National Bank of Serbia or the Government may introduce additional safeguard measures with a view to implementing sanctions against other countries imposed by the United Nations or other international organisations of which the Republic of Serbia is a member.

## **VIII. SUPERVISION OF FOREIGN EXCHANGE AND EXCHANGE OPERATIONS**

### **Article 44**

Operations regulated by this Law shall be subject to supervision.

The supervision of foreign exchange operations shall be exercised by supervisory bodies – the National Bank of Serbia, customs authorities, and/or other competent authorities that have the right to demand, for the purposes of verification, all documentation on foreign exchange operations, as well as other documentation needed for the supervision of foreign exchange operations.

### **Article 45**

The National Bank of Serbia shall supervise foreign exchange and exchange operations of banks, foreign exchange operations of electronic money issuers with their head office in the Republic and of payment institutions – by following the procedure laid down in the law governing their operations.

The National Bank of Serbia shall supervise international payment transactions carried out by the public postal operator – by following the procedure laid down in the law governing payment services.

In the procedure of supervising the foreign exchange operations of banks, the National Bank of Serbia shall impose measures and fines in respect of a bank and the responsible person in a bank in accordance with the provisions of the law governing banks –

if it establishes that the bank carried out international payment transactions in contravention of the provisions of this Law or a regulation of the National Bank of Serbia adopted based on this Law.

For the actions referred to in paragraph 3 hereof, the National Bank of Serbia shall impose measures and fines in respect of an electronic money issuer with its head office in the Republic, a payment institution and the public postal operator, as well as in respect of the responsible person in such legal entity, in accordance with the law governing payment services.

In the procedure of supervising the exchange operations of banks, the National Bank of Serbia shall impose measures and fines in respect of a bank and the responsible person in a bank in accordance with the provisions of the law governing banks – if it establishes that the bank carried out exchange operations in contravention of the provisions of this Law or a regulation of the National Bank of Serbia adopted based on this Law.

#### **Article 46**

The National Bank of Serbia shall supervise foreign exchange operations of residents and non-residents, as well as exchange operations of the non-bank residents referred to in Article 39, paragraph 1 of this Law (hereinafter: supervised entity) – in the procedure determined by this Law and the regulation of the National Bank of Serbia which stipulates in detail the conditions and manner of performing such supervision.

The supervision under paragraph 1 hereof implies the procedure of verification and determination of legality and regularity of performance of foreign exchange and exchange operations in accordance with regulations governing foreign exchange and exchange operations, and/or the procedure of verification and determination of legality and regularity of performance of exchange operations in accordance with regulations governing the prevention of money laundering and the financing of terrorism.

The decisions, reports, and other acts, as well as notifications, requests and other communications of the National Bank of Serbia submitted to the supervised entity in relation to the supervision referred to in paragraph 1 hereof, shall be considered to have been also submitted to the responsible person of the supervised entity and no proof to the contrary shall be admissible.

The National Bank of Serbia may prescribe an obligation for the supervised entity to ensure the receipt of the communications referred to in paragraph 3 hereof in electronic form, and the conditions for and the time as of which the submission of such communications shall be considered done within the meaning of the law governing general administrative procedure.

The National Bank of Serbia shall carry out the supervision referred to in paragraph 1 hereof in the following ways:

1) off-site – by collecting, monitoring, verifying and analysing the reports and other documentation submitted by the supervised entity in accordance with this Law and the regulations adopted based on this Law, and/or at the request of the National Bank of Serbia, as well as other documents and/or other data available to the National Bank of Serbia;

2) on-site – on the premises of the supervised entity by inspecting the business books, agreements and other documentation and data of the supervised entity and/or an entity which has property, management or business relations with such supervised entity.

The on-site supervision referred to in paragraph 5, item 2) hereof shall be conducted by the employees of the National Bank of Serbia or other persons hired in accordance with the decision issued by the National Bank of Serbia (hereinafter: authorised persons).

During the on-site supervision referred to in paragraph 5, item 2) hereof, the authorised persons shall have with them the decision referred to in paragraph 6 hereof and the official identification document, which will enable their identification and the determination of their capacity of persons authorised to conduct such supervision.

The layout, form and content of the official identification document referred to in paragraph 7 hereof shall be prescribed by the National Bank of Serbia.

#### **Article 46a**

The data which the authorised persons and employees in the National Bank of Serbia learn in any way in the supervision procedure referred to in Article 46 hereof, and the documents containing such data, including the measures and fines imposed by the National Bank of Serbia in such procedures in accordance with the provisions of this Law, shall be determined and protected as confidential with the degree of confidentiality marked as "CONFIDENTIAL" or "RESTRICTED" in accordance with the law governing data secrecy.

The persons referred to in paragraph 1 hereof shall keep the data and documents from that paragraph as secret, and/or shall not make them available to third parties except in the cases prescribed by the law.

The obligation to preserve data secrecy for persons from paragraph 1 hereof shall not end with the termination of their employment with the National Bank of Serbia or with the termination of another capacity based on which those persons had access to the data referred to in that paragraph.

Notwithstanding paragraph 2 hereof, the National Bank of Serbia may make the data and documents referred to in paragraph 1 hereof available to domestic and foreign supervisory authorities on condition that those authorities use them solely for the purposes for which they were obtained.

The publishing of the data referred to in paragraph 1 hereof in aggregate form, so that the identity of the supervised entity, and/or of natural persons and legal entities, cannot be established on that basis, shall not be considered a breach of the data secrecy obligation.

#### **Article 46b**

In the course of the supervision referred to in Articles 45 and 46 hereof, the National Bank of Serbia may temporarily seize, against a receipt, foreign exchange, foreign cash, cheques, securities, dinar cash, electronic money, digital assets, payment cards, items, business books, records, official documents, and other documentation – if there is reasonable doubt that they were used or intended for the perpetration of a criminal offence, misdemeanour or another punishable action, or that they were acquired or generated through the perpetration of a criminal offence, misdemeanour or another punishable action.

If the business books, records, official documents or other documentation referred to in paragraph 1 hereof are stored on means of automatic data processing, the National Bank of Serbia may also temporarily seize such means, against a receipt.

### **Article 46c**

If, in the procedure of supervising the foreign exchange operations of residents and non-residents, it determines that the supervised entity has failed to act in accordance with the provisions of this Law and/or a regulation of the National Bank of Serbia adopted based on this Law, the National Bank of Serbia may order the supervised entity, by means of a decision, to eliminate the established irregularity within a set deadline and/or to align its operations with the provisions of this Law and/or a regulation of the National Bank of Serbia adopted based on this Law, in which case it shall also set a deadline within which this entity is required to submit a report thereon, with appropriate evidence.

The decision referred to in paragraph 1 hereof shall be final and an administrative dispute may be initiated against it, but an appeal against this decision may neither prevent nor delay its enforcement.

### **Article 46d**

If a supervised entity fails to enable the National Bank of Serbia to supervise foreign exchange operations within the meaning of regulations of the National Bank of Serbia governing supervision of foreign exchange operations of residents and non-residents, and particularly if, at the request of the National Bank of Serbia, such supervised entity fails to submit all the requested data and documents within the deadline set in that request, or the supervised entity fails to comply with the order from the decision of the National Bank of Serbia referred to in Article 39c, paragraph 5 and Article 46c, paragraph 1 of this Law, the National Bank of Serbia may issue a decision imposing a fine in respect of such supervised entity and/or its responsible person, in the following range:

- 1) from 100,000 to 3,000,000 dinars for a legal entity and branch of a foreign legal entity and from 10,000 to 500,000 dinars for a responsible person in a legal entity and branch of a foreign legal entity;
- 2) from 50,000 to 2,000,000 dinars for an entrepreneur;
- 3) from 10,000 to 100,000 dinars for a natural person.

If 10% of the total income earned by the supervised entity in the past year exceeds 3,000,000 dinars for a legal entity and branch of a foreign legal entity, and/or 2,000,000 dinars for an entrepreneur, and/or 100,000 dinars for a natural person, or if 10% of the total income earned by a responsible person in a legal entity and branch of a foreign legal entity in the past year exceeds 500,000 dinars, the fine referred to in paragraph 1 hereof may be even higher than the amount specified therein, but it may not exceed 10% of the total income earned by the supervised entity and/or the responsible person in the supervised entity in the past year.

The total income referred to in paragraph 2 hereof shall have the meaning laid down in the law regulating the protection of competition.

The decision referred to in paragraph 1 hereof shall order the supervised entity to enable the exercise of supervision to the National Bank of Serbia, to cooperate with authorised persons and/or act in accordance with the request or order of the National Bank of Serbia referred to in that paragraph.

Where a supervised entity fails to comply with the order referred to in paragraph 4 hereof, the National Bank of Serbia may again issue the decision referred to in paragraph 1 hereof.

When imposing the fine referred to in this Article, the National Bank of Serbia shall take into account the degree of cooperation of the supervised entity with authorised persons, previous conduct of the supervised entity and/or whether the supervised entity and the responsible person in the supervised entity had previously acted in a similar way or were fined for such action by a fine referred to in this Article, the demonstrated readiness of the supervised entity to comply with the order from the decision referred to in paragraph 1 hereof, the duration of non-compliance with the order or failure to enable the supervision referred to in that paragraph, and other important circumstances which have resulted in non-compliance with the order or failure to enable the supervision referred to in paragraph 1 hereof.

By means of the decision referred to in paragraph 1 hereof, the National Bank of Serbia may also order the freezing of funds in all accounts of the supervised entity until it complies with the order from that decision, except for the funds needed to pay the fine referred to in that decision and/or to settle tax obligations.

After being served to the supervised entity and the responsible person in the supervised entity – legal entity, the decision referred to in paragraph 1 hereof shall be an enforceable document.

If the obligation of the supervised entity and/or responsible person in a supervised entity or natural person in respect of the fine referred to herein is not settled within the deadline set in the decision on imposing the fine, the National Bank of Serbia shall be entitled to charge default interest on the amount of debt.

Enforceable decisions on imposing the fine referred to herein shall constitute the grounds for enforced collection from the supervised entity's account in accordance with the law governing the enforcement of claims by debiting the client's account.

The fines referred to herein shall be paid to the account of the National Bank of Serbia.

The decision of the National Bank of Serbia referred to herein shall be final and an administrative dispute may be initiated against it, but an appeal against this decision may neither prevent nor delay its enforcement.

#### **Article 46e**

If there is suspicion that exchange operations are conducted by a natural person, and/or legal entity or entrepreneur other than the person referred to in Article 39, paragraph 1 hereof, the National Bank of Serbia may carry out on-site and off-site verification to determine whether such persons engage in unauthorised exchange operations.

If the verification referred to in paragraph 1 of this Article confirms that the person under that paragraph conducts unauthorised exchange operations, the National Bank of Serbia shall issue a decision ordering the cessation of such operations and imposing a fine on this person and the responsible person in the legal entity referred to in paragraph 1 hereof, and shall submit the decision to the competent authorities.

If the follow-up verification confirms that the natural person, and/or legal entity or entrepreneur subject to the order referred to in paragraph 2 hereof has not ceased unauthorised operations under that paragraph, the National Bank of Serbia shall issue a

decision imposing a new fine on that person, and/or the responsible person in that legal entity.

If the decision referred to in paragraph 3 hereof concerns a natural person, the National Bank of Serbia may repeatedly issue such decision until the follow-up verification confirms that the natural person has ceased to conduct unauthorised exchange operations.

If the decision referred to in paragraph 3 hereof concerns a legal entity or entrepreneur, the National Bank of Serbia shall simultaneously determine by that decision that conditions for the initiation of the procedure of compulsory liquidation of the legal entity under that paragraph are met, and/or impose a measure banning the activity of the entrepreneur under that paragraph, and the measure of blocking all accounts of the legal entity and/or entrepreneur until the initiation of the procedure of compulsory liquidation of the legal entity and/or deletion of the entrepreneur from the business entities register.

Unauthorised conduct of exchange operations includes activities of the provision of services that, in terms of their features, represent exchange operations, regardless of whether compensation is involved, the extent to which they are provided, and the number of users.

The National Bank of Serbia may determine that a natural person, and/or legal entity or entrepreneur is engaged in unauthorised exchange operations based on facts that are not fully established or based on circumstantial evidence (probability).

The decision referred to in paragraph 3 of this Article shall constitute irrefutable grounds for initiation of the procedure of compulsory liquidation of a legal entity, and/or deletion of an entrepreneur from the business entities register by force of law. The National Bank of Serbia shall submit the decision to the organisation competent for keeping the business entities register, which shall immediately initiate the procedure of compulsory liquidation of the legal entity, and/or delete the entrepreneur from the business entities register.

The provisions of Articles 46, 46a, 46b and 46d of this Law shall apply accordingly to the verification referred to in paragraph 1 of this Article, as well as to the decision and the imposition of the fine referred to in paragraphs 2 and 3 of this Article.

The provisions of this Article shall also apply accordingly if there is suspicion that a natural person, and/or legal entity or entrepreneur is buying/selling foreign exchange contrary to Article 38 of this Law.

#### **Article 46f**

The National Bank of Serbia shall maintain the register of measures and fines imposed on legal entities, entrepreneurs and natural persons in accordance with this Law.

The data from the register referred to in paragraph 1 of this Article shall not be publicly available and the National Bank of Serbia may make them available, and/or communicate or submit them only on the basis of the decision or request of a court, competent prosecutor's office, police, inspection authority, supervisory or other competent authority in regard to the procedure conducted before that authority.

The National Bank of Serbia may, based on a reasoned written request, provide legal entities, entrepreneurs and natural persons who have been imposed measures and fines referred to in paragraph 1 of this Article, and/or their representatives or proxies, with access to the data from the register referred to in that paragraph which pertain to those persons.

#### **Article 47**

The customs authority shall exercise supervision of the taking in and out from the Republic of foreign cash, dinars, cheques and securities in passenger, goods and postal traffic.

#### **Article 48**

The customs authority at the customs border shall temporarily seize from residents and non-residents, against a receipt, any amount of dinars, foreign cash, cheques and securities denominated in foreign currency exceeding the amount prescribed by the National Bank of Serbia.

#### **Article 49**

In exercising supervision of foreign exchange operations between residents and non-residents and supervision of exchange operations, supervisory and other competent authorities shall cooperate and shall, on a reasoned request of the supervisory authority, make available the data, findings and information in their possession that are necessary for conducting the supervision of foreign exchange and exchange operations.

If during the on-site supervision referred to in Article 46 of this Law there are reasonable grounds to expect that the supervised entity will prevent or obstruct the conduct of such supervision – the police shall, on a written request of the National Bank of Serbia, provide assistance to ensure safe exercise of such supervision, in accordance with the provisions of the law governing the police concerning police assistance in enforcing an act of a state authority or a legal or natural person with public powers.

Authorised persons shall be entitled to request police assistance if the supervised entity prevents or obstructs the conduct of on-site supervision referred to in Article 46 of this Law, and the police shall provide the requested assistance as soon as possible upon receiving the request.

The organisation competent for maintaining the business entities register may not delete a legal entity or entrepreneur from such register if it has received the notification from the National Bank of Serbia that the procedure of supervision of foreign exchange or exchange operations of such legal entity and/or entrepreneur has begun – until the receipt of the notification from the National Bank of Serbia that the supervisory procedure has been concluded, and/or that all procedures initiated based on the conducted supervision in relation to the irregularities identified in the supervisory procedure have been finalised.

The provisions of this Article shall also apply accordingly to the verification referred to in Article 46e of this Law.

#### **Article 49a**

The National Bank of Serbia shall determine the authenticity of foreign cash (foreign banknotes and coins) if there are doubts as to its authenticity.

The National Bank of Serbia shall prescribe the manner of handling foreign cash suspected of being counterfeit.

The production, sale, import and distribution for the purposes of sale or for commercial purposes, of medals and tokens similar to foreign coins – the euro, shall be forbidden.

The National Bank of Serbia shall prescribe the features based on which it determines the similarity of medals and tokens to foreign coins – the euro.

## **IX. FOREIGN EXCHANGE INSPECTORATE**

(title deleted)

### **Scope of competence and organisation**

(title deleted)

#### **Article 50**

(deleted)

#### **Article 51**

(deleted)

#### **Article 52**

(deleted)

#### **Article 52a**

(deleted)

#### **Article 53**

(deleted)

#### **Article 54**

(deleted)

#### **Article 55**

Supervisory bodies shall deposit foreign exchange, foreign cash, cheques and securities, temporarily seized under well-founded suspicion that a criminal offence or misdemeanour has been committed, to the account of the National Bank of Serbia or in the depository of the National Bank of Serbia, whereas dinars shall be deposited to the account of the National Bank of Serbia within two business days following the day of seizing.

#### **Article 56**

(deleted)

## **X. PENAL PROVISIONS**

### **1. Criminal offence**

#### **Article 57**

Any person buying from or selling to natural persons foreign cash and cheques denominated in foreign currency without the authorisation of the National Bank of Serbia shall be punished for a criminal offence by a prison sentence lasting from six months to five years.

Any attempt of committing the offence referred to in paragraph 1 hereof shall be punished.

## **Article 58**

Any person who makes collection, payment or issues a payment order, and/or executes a transfer to a non-resident of the amount exceeding EUR 100,000 on the basis of a contract where no actual price is stated or on the basis of a false document, shall be punished for a criminal offence by a prison sentence of one to ten years.

Any attempt to commit the offence referred to in paragraph 1 hereof shall be punished.

## **2. Misdemeanour**

### **Article 59**

A resident legal entity, branch of a foreign legal entity, bank, electronic money issuer with a head office in the Republic, a payment institution, the public postal operator and a non-resident – legal entity shall be fined from 500,000 to 2,000,000 dinars:

- 1) if it fails to offset claims and debts under foreign trade in goods and services in the manner prescribed by the Government (Article 6, paragraphs 1 and 2);
- 2) if it fails to offset claims and debts under foreign credit operations in the manner prescribed by the National Bank of Serbia (Article 6, paragraph 3);
- 3) if it transfers and/or pays or collects claims and debts other than those arising from residents' foreign trade in goods and services (Article 7, paragraph 1);
- 4) if it fails to perform the transactions from Article 7, paragraph 1 of this Law based on a contract and/or fails to submit the notification to the debtor under the underlying operation of the transfer of claims performed, or to obtain the creditor's consent under the underlying operation for the transfer of debts (Article 7, paragraph 2);
- 5) if the contract does not contain the data from Article 7, paragraph 3 of this Law;
- 6) if it transfers and/or pays or collects claims or debts arising from foreign trade in goods and services of a resident – public enterprise and legal entity with state capital or a legal entity undergoing restructuring or privatisation in contravention of Article 7, paragraph 4 of this Law;
- 7) if it effects collection, payment or issues an order for payment and/or makes a transfer to a non-resident, based on a contract which does not specify the real price or based on a false document (Article 8);
- 8) if it makes payment and transfer of capital under direct investment in contravention of Article 11 of this Law;
- 9) if it makes payment for the purpose of acquiring ownership of real estate abroad, and/or in the Republic in contravention of the law governing legal property relations (Article 12, paragraph 1);
- 10) if it makes payment for the purpose of buying or collection for the purpose of selling foreign long-term debt securities in contravention of Article 13, paragraphs 2 and 3 of this Law;
- 11) if it makes payment for the purpose of buying or collection for the purpose of selling long-term debt and equity securities in the Republic in contravention of the law governing the capital market (Article 14, paragraph 1);
- 12) if it makes payment for the purpose of buying or collection for the purpose of selling short-term securities in contravention of Article 15, paragraph 1 of this Law;

13) if it makes payment for the purpose of buying or collection for the purpose of selling short-term securities in contravention of Article 15, paragraph 2 of this Law;

14) if it makes payment for the purpose of buying or collection for the purpose of selling short-term securities in the Republic in contravention of Article 15, paragraph 3 of this Law;

15) if it effects payment, collection, transfer, offsetting and reporting on financial derivative transactions in contravention of the terms and conditions prescribed by the National Bank of Serbia (Article 16);

16) if it makes payment or collection in respect of investment abroad in contravention of the law governing transactions with investment and voluntary pension funds (Article 17, paragraph 1);

17) if it makes payment or collection in respect of investment in foreign investment funds in contravention of Article 17, paragraph 2 of this Law;

18) if it makes payment or collection in respect of investment in investment funds and voluntary pension funds in the Republic in contravention of the law governing transactions with investment and voluntary pension funds (Article 17, paragraph 3);

19) if it enters into a foreign credit transaction in contravention of Article 18, paragraph 1 of this Law;

20) if it grants a dinar credit or loan referred to in Article 18, paragraph 2 of this Law in contravention of the terms and conditions prescribed by the National Bank of Serbia (Article 18, paragraph 2);

21) if it performs foreign credit operations, issues bank guarantees, sureties and other types of warranties in favour of a non-resident creditor under foreign credit operations, and under credit operations between non-residents, and if it grants loans to non-residents in contravention of Article 18, paragraph 3 of this Law;

22) if it participates in a syndicated financial credit or loan in contravention of Article 18, paragraph 4 of this Law;

23) if it purchases a claim from a non-resident – participant in a syndicated financial credit or loan granted by a group of foreign creditors to the debtor, in contravention of the conditions set out in Article 18, paragraph 4 of this Law (Article 18, paragraph 5);

24) if it acts in contravention of Article 18, paragraph 6 of this Law;

25) if it acts in contravention of Article 18, paragraph 7 of this Law;

26) if it performs foreign credit operations or transfers and/or pays or collects a claim or debt in respect of these operations in contravention of the provisions of a separate law (Article 18, paragraph 8);

27) if it acts in contravention of Article 18, paragraph 10 of this Law;

28) if it acts in contravention of Article 18, paragraph 11 of this Law;

28a) if it acts in contravention of Article 18, paragraph 12 of this Law;

29) if it concludes a foreign credit operation contract in contravention of Article 19 of this Law;

30) if it fails to perform the transaction referred to in Article 20, paragraph 1 of this Law based on a contract, and/or fails to submit the notification to the debtor under the underlying operation of the transfer of claims performed, or to obtain the creditor's consent under the underlying operation for the transfer of debts (Article 20, paragraph 2);

31) if the contract does not contain data from Article 20, paragraph 3 of this Law;

32) if it transfers and/or pays or collects claims or debts arising from a foreign credit operation of a resident public enterprise and legal entity with state-owned capital or a legal entity in the process of restructuring or privatisation in contravention of Article 20, paragraph 4 of this Law;

33) if it uses a foreign financial credit in contravention of Article 21, paragraph 1 of this Law;

34) if it uses a foreign financial credit in contravention of the National Bank of Serbia's regulation on the purposes, terms and conditions of disbursing such credits (Article 21, paragraph 2);

35) if it takes a short-term time bank deposit and a short-term bank credit line from a foreign bank in contravention of Article 22 of this Law;

36) if it acts in contravention of Article 23, paragraph 1 of this Law;

37) if it acts contrary to the regulation of the National Bank of Serbia under Article 23, paragraph 2 of this Law;

38) deleted;

39) deleted;

40) deleted;

41) deleted;

42) if it fails to report a foreign credit operation to the National Bank of Serbia in the manner and within the timeframe prescribed by the National Bank of Serbia (Article 24);

43) if it grants a credit in foreign currency in contravention of Article 25 of this Law;

44) if it performs guarantee operations from Article 26, paragraph 1 hereof in contravention of banking regulations;

45) if it obtains guarantees and warranties from non-residents under claims in the Republic arising from foreign credits for which the state has undertaken the foreign payment obligation (Article 26, paragraph 2);

46) if it performs guarantee operations contrary to provisions of a separate law (Article 26, paragraph 3);

47) if it issues warranty to a non-resident in contravention of Article 26, paragraph 4 of this Law;

48) if it issues warranty to a non-resident in contravention of the Government's regulation (Article 26, paragraph 5);

49) if it obtains a guarantee or warranty of a non-resident in contravention of Article 26, paragraph 6 of this Law;

50) if it holds foreign exchange in accounts with foreign banks in contravention of the National Bank of Serbia's regulation (Article 27, paragraph 2);

51) if it holds foreign exchange and dinars in a bank account in contravention of this Law (Article 28, paragraph 1);

52) if it fails to comply with the National Bank of Serbia's regulation (Article 28, paragraph 2);

53) if the person from Article 29, paragraph 1 of this Law transfers funds from a non-resident and/or resident account to accounts abroad in contravention of Article 29, paragraph 1 of this Law;

54) if it makes payment for the purpose of depositing and investing abroad in contravention of the law governing insurance (Article 30, paragraph 1);

55) if it makes payment of insurance premium based on an insurance contract concluded with a non-resident insurance company, which is not permitted by the law governing insurance (Article 30, paragraph 2);

56) if it fails to comply with the National Bank of Serbia's regulation on detailed terms of making personal and physical transfers of means of payment to and from abroad (Article 31);

57) if it performs international payment transactions in contravention of Article 32, paragraphs 1 and 2 of this Law;

58) if it fails to perform international payment transactions through the National Bank of Serbia (Article 32, paragraph 4);

59) if it performs payment transactions under foreign credit operations in contravention of Article 32, paragraphs 5 and 6 of this Law;

60) if it performs international payment transactions under current and capital transactions in contravention of the National Bank of Serbia's regulation (Article 32, paragraph 8);

61) if it makes collection from and/or payment to a non-resident other than the one with regard to whom the resident has any debts and/or claims under current or capital transactions that are not permitted by this Law (Article 33, paragraph 1);

62) if it acts in contravention of Article 33, paragraph 2 of this Law;

63) if it fails to perform the transactions from Article 33, paragraphs 1 and 2 of this Law based on a contract or a statement (Article 33, paragraph 3);

64) if the contract and/or statement do not contain the data from Article 33, paragraph 4 of this Law;

65) if it makes collection from and/or payment also to another non-resident in contravention of Article 33, paragraph 5 of this Law;

66) if it fails to report to the National Bank of Serbia any changes under foreign credit operations from Article 33, paragraphs 1 and 2 of this Law, in accordance with the regulation adopted based on Article 24 of this Law (Article 33, paragraph 6);

67) if it makes payment, collection and transfer in the Republic in contravention of Article 34 of this Law;

68) if it makes payment, collection, pay-ins and pay-outs in foreign cash in contravention of the National Bank of Serbia's regulation (Article 34, paragraph 9);

69) if it fails to hold foreign exchange with a bank and/or the National Bank of Serbia (Article 35, paragraph 1);

70) if it fails to hold foreign exchange in a foreign exchange account with a bank or fails to sell foreign exchange to the bank (Article 35, paragraph 2);

71) if it fails to comply with the National Bank of Serbia's regulation (Article 35, paragraph 3);

72) (deleted);

73) if it fails to hold foreign exchange accounts with the Treasury Administration within the system of the consolidated treasury account held with the National Bank of Serbia (Article 36, paragraph 1);

74) if it acts in contravention of Article 36, paragraph 2 of this Law;

75) if it fails to act in accordance with the prescribed reporting obligation (Article 37, paragraph 1);

76) if it buys and sells foreign exchange and foreign cash outside the foreign exchange market (Article 38, paragraph 1);

77) if it fails to comply with the National Bank of Serbia's regulation (Article 38, paragraph 4);

78) if in conducting exchange operations it acquires or obtains, and/or uses foreign exchange, foreign cash, cheques and other securities, dinar cash, electronic money, digital assets, payment cards, items, business books, records, official documents or other documentation contrary to the National Bank of Serbia's regulation (Article 39, paragraph 6);

79) if it fails to apply the official middle exchange rate of the dinar for accounting and statistical purposes (Article 41, paragraph 2);

80) if it fails to apply the official middle exchange rate of the dinar, determined on the last business day of the week preceding the week in which the amount of customs and other import duties is determined in accordance with the law governing customs (Article 41, paragraph 3);

81) if it acts in contravention of the measures from Article 42 of this Law;

82) if it acts in contravention of the measures from Article 43 of this Law;

83) if it fails to issue at the border crossing a receipt for temporarily seized dinars and foreign cash, cheques and securities denominated in foreign currency, which exceed the amount prescribed by the National Bank of Serbia (Article 48);

84) if it acts in contravention of Article 49a, paragraph 3 of this Law;

85) if it fails to deposit the temporarily seized foreign exchange, foreign cash, dinars, cheques and securities to the account of the National Bank of Serbia or fails to place them in the depository of the National Bank of Serbia within two business days following the date of seizure (Article 55).

For the acts referred to in paragraph 1 of this Article, the responsible person in the resident – legal entity or the non-resident – legal entity, as well as the responsible person in a bank, an electronic money issuer headquartered in the Republic, a payment institution and the public postal operator, shall be fined from 50,000 to 150,000 dinars for a misdemeanour.

A responsible person in the resident from Article 36, paragraph 1 of this Law shall also be fined from 50,000 to 150,000 dinars for the actions referred to in paragraph 1 hereof.

A responsible person in a resident branch of a foreign legal entity shall also be fined from 50,000 to 150,000 dinars for the actions referred to in paragraph 1 hereof.

A higher fine than prescribed in accordance with Article 39, paragraph 4 of the Law on Misdemeanours may be imposed for the misdemeanour referred to in paragraphs 1 to 4 of this Article.

## **Article 60**

(deleted)

## **Article 61**

A resident entrepreneur shall be fined from 150,000 to 500,000 dinars:

- 1) if it fails to offset debts and claims under foreign trade in goods and services under the terms prescribed by the Government (Article 6, paragraphs 1 and 2);
- 2) if it fails to offset debts and claims under foreign credit operations under the terms prescribed by the National Bank of Serbia (Article 6, paragraph 3);
- 3) if it transfers, buys or sells, and/or pays or collects claims and debts other than those arising from residents' foreign trade in goods and services (Article 7, paragraph 1);
- 4) if it fails to perform the transactions from Article 7, paragraph 1 of this Law based on a contract and/or fails to submit the notification to the debtor under the underlying operation of the transfer of claims performed, or to obtain the creditor's consent under the underlying operation for the transfer of debts (Article 7, paragraph 2);
- 5) if the contract does not contain data from Article 7, paragraph 3 of this Law;
- 6) if it makes collection, payment or issues a payment order, and/or effects transfer to a non-resident, based on a contract that does not stipulate the actual price or based on a false document (Article 8);
- 7) if it makes payment and transfer of capital under direct outward investment in contravention of the law governing foreign trade (Article 11, paragraph 1);
- 8) if it makes payment for the purpose of acquiring ownership of real estate abroad in contravention of the law governing legal property relations (Article 12, paragraph 1);
- 9) if it makes payment for the purpose of buying or collection for the purpose of selling foreign long-term debt securities in contravention of Article 13, paragraphs 2 and 3 of this Law;
- 10) if it makes payment for the purpose of buying or collection for the purpose of selling short-term securities in contravention of Article 15, paragraph 1 of this Law;
- 11) if it makes payment, collection, transfer, offsetting and reporting on financial derivative transactions in contravention of the terms and conditions prescribed by the National Bank of Serbia (Article 16);
- 12) if it makes payment or collection under investment in foreign investment funds in contravention of Article 17, paragraph 2 of this Law;
- 13) if it enters into a foreign credit operation in contravention of Article 18, paragraph 1 of this Law;
- 14) if it acts contrary to Article 18, paragraph 9 of this Law;
- 15) if it acts contrary to Article 18, paragraph 10 of this Law;
- 16) if it concludes a foreign credit contract in contravention of Article 19 of this Law;
- 17) if it fails to perform the transaction from Article 20, paragraph 1 of this Law based on a contract and/or fails to submit the notification to the debtor under the underlying operation of the transfer of claims performed, or to obtain the creditor's consent under the underlying operation for the transfer of debts (Article 20, paragraph 2);
- 18) if the contract does not contain data from Article 20, paragraph 3 of this Law;
- 19) if it uses foreign financial credits in contravention of Article 21, paragraph 1 of this Law (Article 21, paragraph 1);
- 20) if it uses foreign financial credits in contravention of the National Bank of Serbia's regulation on the purposes, terms and conditions of disbursing such credits (Article 21, paragraph 2);
- 21) if it fails to report a foreign credit operation to the National Bank of Serbia in the manner and within the timeframe prescribed by the National Bank of Serbia (Article 24);

22) if it holds foreign exchange in accounts with foreign banks in contravention of the National Bank of Serbia's regulation (Article 27, paragraph 2);

23) if it makes payment of insurance premium based on an insurance contract concluded with a non-resident insurance company, which is not permitted by the law governing insurance (Article 30, paragraph 2);

24) if it performs international payment transactions contrary to Article 32, paragraphs 1, 2, 5 and 6 of this Law;

25) if it performs international payment transactions under current and capital transactions in contravention of the National Bank of Serbia's regulation (Article 32, paragraph 8);

26) if it makes collection from and/or payment to a non-resident other than the one with regard to whom the resident has any debts and/or claims under current or capital transactions that are not permitted by this Law (Article 33, paragraph 1);

27) if it acts in contravention of Article 33, paragraph 2 of this Law;

28) if it fails to perform the transactions from Article 33, paragraphs 1 and 2 hereof based on a contract or statement (Article 33, paragraph 3);

29) if the contract and/or statement do not contain data from Article 33, paragraph 4 of this Law;

30) if it fails to report to the National Bank of Serbia on any changes under foreign credit operations from Article 33, paragraphs 1 and 2 of this Law, in accordance with a regulation adopted based on Article 24 of this Law (Article 33, paragraph 6);

31) if it makes payment, collection and transfer in the Republic in contravention of Article 34 of this Law;

32) if it makes payment, collection, pay-ins and pay-outs in foreign cash in contravention of the National Bank of Serbia's regulation (Article 34, paragraph 9);

33) if it fails to hold foreign exchange in a foreign exchange account with a bank or fails to sell foreign exchange to the bank (Article 35, paragraph 2);

34) if it fails to comply with the prescribed reporting obligation (Article 37, paragraph 1);

35) if it buys and sells foreign exchange and foreign cash outside the foreign exchange market (Article 38, paragraph 1);

36) if in conducting exchange operations it acquires or obtains, and/or uses foreign exchange, foreign cash, cheques and other securities, dinar cash, electronic money, digital assets, payment cards, items, business books, records, official documents or other documentation contrary to the National Bank of Serbia's regulation (Article 39, paragraph 6);

37) if it fails to apply the official middle exchange rate of the dinar for accounting and statistical purposes (Article 41, paragraph 2);

38) if it acts in contravention of the measures from Article 42 of this Law;

39) if it acts in contravention of the measures from Article 43 of this Law;

40) if it acts in contravention of Article 49a, paragraph 3 of this Law.

A higher fine than prescribed in accordance with Article 39, paragraph 4 of the Law on Misdemeanours may be imposed for the misdemeanour referred to in paragraph 1 of this Article.

## Article 62

A resident natural person shall be fined from 5,000 to 150,000 dinars:

- 1) if it offsets debts and claims under foreign trade in goods and services (Article 6, paragraph 1);
- 2) if it offsets debts and claims under foreign credit operations (Article 6, paragraph 3);
- 3) if it acts in contravention of Article 7, paragraph 1 of this Law;
- 4) if it executes collection, makes payment or issues a payment order, and/or effects a transfer, based on a contract that does not stipulate the actual price or based on a false document (Article 8);
- 5) if it makes payment and transfer of capital under direct outward investment in contravention of the law governing foreign trade (Article 11, paragraph 1);
- 6) if it makes payment for the purpose of acquiring ownership of real estate abroad in contravention of the law governing legal property relations (Article 12, paragraph 1);
- 7) if it makes payment for the purpose of buying or collection for the purpose of selling foreign long-term debt securities in contravention of Article 13, paragraphs 2 and 3 of this Law;
- 8) if it makes payment for the purpose of buying or collection for the purpose of selling short-term securities in contravention of Article 15, paragraph 1 of this Law;
- 9) if it makes payment, collection, transfer, offsetting and reporting on financial derivative transactions in contravention of the terms and conditions prescribed by the National Bank of Serbia (Article 16);
- 10) if it makes payment or collection under investment in foreign investment funds in contravention of Article 17, paragraph 2 of this Law;
- 11) if it concludes a foreign credit operation in contravention of Article 18, paragraph 1 of this Law;
- 12) if it acts in contravention of Article 18, paragraph 10 of this Law;
- 13) if it acts in contravention of Article 18, paragraph 11 of this Law;
- 13a) if it acts in contravention of Article 18, paragraph 12 of this Law;
- 14) if it acts in contravention of Article 20, paragraph 1 of this Law;
- 15) if it fails to report a foreign credit operation to the National Bank of Serbia in accordance with the regulation adopted based on Article 24 of this Law (Article 24);
- 16) if it holds foreign exchange in accounts with a foreign bank in contravention of the National Bank of Serbia's regulation (Article 27, paragraph 2);
- 17) if it makes payment of insurance premium under an insurance contract concluded with a non-resident insurance company, which is not permitted by the law governing insurance (Article 30, paragraph 2);
- 18) if it fails to comply with the National Bank of Serbia's regulation on detailed terms of effecting personal and physical transfers of means of payment to and from abroad (Article 31);
- 19) if it performs international payment transactions in contravention of Article 32, paragraphs 1, 2 and 5 of this Law;

20) if it performs international payment transactions under current and capital transactions in contravention of the National Bank of Serbia's regulation (Article 32, paragraph 8);

21) if it makes collection from and/or payment to a non-resident other than the one with regard to whom the resident has any debts and/or claims under current or capital transactions that are not permitted by this Law (Article 33, paragraph 1);

22) if it fails to perform the transactions from Article 33, paragraph 1 of this Law based on a contract or statement (Article 33, paragraph 3);

23) if the contract and/or statement do not contain data from Article 33, paragraph 4 of this Law;

24) if it fails to report to the National Bank of Serbia any changes under foreign credit operations from Article 33, paragraph 1 of this Law, in accordance with a regulation adopted based on Article 24 of this Law (Article 33, paragraph 6);

25) if it makes payment, collection and transfer in the Republic in contravention of Article 34 of this Law;

26) if it makes payment, collection, pay-ins and pay-outs in foreign cash in contravention of the National Bank of Serbia's regulation (Article 34, paragraph 9);

27) if it fails to act in accordance with the prescribed reporting obligation (Article 37, paragraph 1);

28) if it buys and sells foreign exchange and foreign cash outside of the foreign exchange market (Article 38, paragraph 1);

29) if it acts in contravention of the measures from Article 42 of this Law;

30) if it acts in contravention of Article 49a, paragraph 3 of this Law.

#### **Article 62a**

(deleted)

#### **Article 63**

A non-resident natural person shall be fined from 5,000 to 150,000 dinars:

1) if it fails to perform the transactions from Article 7, paragraph 1 of this Law based on a contract and/or fails to submit the notification to the debtor under the underlying operation of the transfer of claims performed, or to obtain the creditor's consent under the underlying operation for the transfer of debts (Article 7, paragraph 2);

2) if the contract does not contain the data from Article 7, paragraph 3 of this Law;

3) if it makes payment and transfer of capital under direct investment in the Republic in contravention of the law governing foreign investment (Article 11, paragraph 2);

4) if it makes payment for the purposes of buying a stake in the capital of a resident legal entity which is not considered direct investment in contravention of the law governing companies (Article 11a, paragraph 2);

5) if it makes payment for the purpose of acquiring ownership of real estate in the Republic in contravention of the law governing legal property relations (Article 12, paragraph 1);

- 6) if it makes payment for the purpose of buying long-term and equity securities in the Republic in contravention of the law governing the capital market (Article 14, paragraph 1);
- 7) if it makes payment for the purpose of buying or collection for the purpose of selling short-term securities in the Republic in contravention of Article 15, paragraph 3 of this Law;
- 8) if it makes payment for the purpose of investing in investment and voluntary pension funds in the Republic in contravention of the law governing transactions with investment and voluntary pension funds (Article 17, paragraph 3);
- 9) if it concludes a foreign credit operation in foreign currency in contravention of Article 18, paragraph 1 of this Law;
- 10) if it fails to perform the transaction from Article 20, paragraph 1 of this Law based on a contract and/or fails to submit the notification to the debtor under the underlying operation of the transfer of claims performed, or to obtain the creditor's consent under the underlying operation for the transfer of debts (Article 20, paragraph 2);
- 11) if the contract does not contain data from Article 20, paragraph 3 of this Law;
- 12) if it holds foreign exchange and dinars in the account with a bank in contravention of this Law (Article 28, paragraph 1);
- 13) if persons from Article 29, paragraph 1 of this Law transfer funds from a non-resident and/or resident account to accounts abroad in contravention of Article 29, paragraph 1 of this Law;
- 14) if it fails to comply with the National Bank of Serbia's regulation on detailed terms of effecting personal and physical transfers of means of payment to and from abroad (Article 31);
- 15) if it makes payment, collection and transfer in the Republic in contravention of Article 34 of this Law;
- 16) if it effects payment, collection, pay-ins and pay-outs in foreign cash in contravention of the National Bank of Serbia's regulation (Article 34, paragraph 9);
- 17) if it buys and sells foreign exchange and foreign cash outside of the foreign exchange market (Article 38, paragraph 1);
- 18) if it acts in contravention of the measures from Article 42 of this Law;
- 19) if it acts in contravention of Article 49a, paragraph 3 of this Law.

#### **Article 64**

With respect to the misdemeanours referred to in Articles 59 to 63 hereof, in addition to a fine, the safeguard measure of seizing the items used in, intended for or resulting from the perpetration of a misdemeanour, shall be imposed.

Notwithstanding paragraph 1 hereof, the safeguard measure of partial seizure of items used in, intended for or resulting from the perpetration of a misdemeanour may be imposed when the motives or other circumstances under which the misdemeanour was committed indicate that the seizure of items in their entirety is not justified.

Notwithstanding paragraphs 1 and 2 hereof, for the misdemeanour referred to in Article 62, item 18) and Article 63, item 14) of this Law, where the customs authority has previously temporarily seized dinars, foreign cash and cheques in accordance with the regulation referred to in Article 31 of this Law – in addition to a fine, the safeguard measure

of partial seizure of dinars, foreign cash and cheques shall be imposed, unless the specific circumstances under which the misdemeanour was committed and/or the severity of the misdemeanour indicate that the seizure of dinars, foreign cash and cheques in their entirety is justified. In such case, in addition to a fine, the safeguard measure of the seizure of items in their entirety which were used or intended for the commission of the misdemeanour shall be imposed.

The decision on the safeguard measure referred to in paragraph 3 of this Article shall be made taking into account the public interest being protected and all circumstances under which the misdemeanour under that paragraph was committed, such as the motives and conduct of the perpetrator, the difference between the amount temporarily seized from the perpetrator and the amount the perpetrator was not required to report, the existence and nature of evidence regarding the lawful origin of the seized funds and payment instruments, the likelihood of the misdemeanour being repeated, the existence of grounds for suspicion or reasonable suspicion of money laundering or terrorist financing, and other circumstances relevant for assessing the severity of the committed misdemeanour.

The safeguard measure referred to in paragraphs 1 to 3 of this Article may be imposed even if the sanction for the misdemeanour has not been imposed, if the misdemeanour procedure cannot be conducted due to the perpetrator being out of reach or unknown to the body in charge of conducting the procedure, or if the perpetrator was under age at the time of committing the misdemeanour, or due to other legal impediments.

#### **Article 65**

The statute of limitations for misdemeanours referred to herein shall be five years.

#### **Article 66**

Fines, apart from the fines referred to in Articles 39b, 39c, 46d and 46e of this Law, benefits in terms of ownership, means of payment, and the dinar equivalent generated through the sale of items used in, intended for or resulting from the perpetration of a criminal offence or misdemeanour shall be paid to the budget of the Republic.

Foreign cash seized as the item of perpetration of a criminal offence or misdemeanour may be sold to the National Bank of Serbia, which shall pay the dinar equivalent of such cash to the budget of the Republic.

### **XI. TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 67**

The misdemeanour procedures initiated before the effectiveness hereof shall be completed in accordance with the provisions thereof, should that be more favourable for the perpetrator.

#### **Article 68**

Regulations for the implementation of this Law shall be adopted no later than six months following its entry into force.

Regulations adopted based on the Foreign Exchange Law (FRY Official Journal, Nos 23/2002 and 34/2002), Law on International Credit Operations (FRY Official Journal, Nos 42/92, 24/94, 28/96 and 21/99), as well as Decision on Keeping Records of Concluded Foreign Trade Transactions (FRY Official Journal, Nos 74/2000), shall apply until the enactment of regulations referred to in paragraph 1 hereof.

## **Article 69**

As of the effectiveness hereof, the Foreign Exchange Law (FRY Official Journal, Nos 23/2002 and 34/2002) and the Law on International Credit Operations (FRY Official Journal, Nos 42/92, 24/94, 28/96 and 21/99) shall cease to be valid.

## **Article 70**

This Law enters into force on 27 July 2006.

### ***Separate articles of the Law on Amendments and Supplements to the Law on Foreign Exchange Operations (RS Official Gazette, No 31/2011)***

## **Article 35**

As of 1 January 2012, the Foreign Exchange Inspectorate shall take over the issue and revocation of authorisations to perform exchange operations and the supervision of exchange operations, employees of the National Bank of Serbia who worked on the issuing and revocation of authorisations to perform exchange operations and supervision of exchange operations as at 31 December 2011, as well as operational documents, equipment and means of labour used in the performance of those activities.

The minister in charge of finance and the governor of the National Bank of Serbia shall regulate the takeover referred to in paragraph 1 hereof by agreement, as well as any issues regarding the business space where the activities set out in that paragraph shall be carried out.

Any procedures of issuing or revoking authorisations to perform exchange operations, as well as procedures of supervision of exchange operations, initiated by the National Bank of Serbia and not completed by 31 December 2011 shall be completed by the Foreign Exchange Inspectorate in accordance with this Law.

Resident legal entities and entrepreneurs who had the decision granting authorisation to perform exchange operations issued by 31 December 2011 shall continue to operate based on that decision in accordance with the provisions of this Law.

Regulations for the implementation of this Law referred to in Articles 2, 4, 5, 6, 7, 9, 10, 11, 13, 15, 16 and 17 hereof shall be adopted within six months from the effectiveness hereof, except for regulations referred to in Articles 18 and 19, which shall be adopted by 31 December 2011.

Until the start of application of regulations from paragraph 5 of this Article, the regulations adopted based on the Law on Foreign Exchange Operations (RS Official Gazette, No 62/2006) shall apply, unless in contravention of the provisions of this Law.

The provisions of regulations from Article 2, paragraph 2 of this Law shall apply to foreign credit operations from Articles 4 and 5 of the Law on Foreign Exchange Operations (RS Official Gazette, No 62/2006), recorded in accordance with regulations from Article 4, paragraph 4 and Article 5, paragraph 4 of the Law on Foreign Exchange Operations (RS Official Gazette, No 62/2006) that have not been completed until the entry into force of the regulations from Article 2, paragraph 2 of this Law.

Misdemeanour procedures initiated before the effectiveness hereof shall be completed in accordance with the provisions thereof, should that be more favourable for the perpetrator.

The rights from individual acts acquired on the basis of the Law on Foreign Exchange Operations (RS Official Gazette, No 62/2006) shall be exercised within the time limits set by those individual acts.

### **Article 36**

This Law enters into force on 17 May 2011, while the provisions of Articles 18, 19, 21, 22, 23, 26 and 27 in the part relating to exchange operations, Article 28 in the part relating to the newly proposed Article 59, paragraph 1, indents 81) and 82) and Article 30 in the part relating to the newly proposed Article 61, indents 37) and 38) shall apply as of 1 January 2012. The provisions of Article 59, paragraph 1, indent 70) and Article 61, indent 36) of the Law on Foreign Exchange Operations (RS Official Gazette, No 62/2006) shall apply until 31 December 2011.

### ***Separate articles of the Law on Amendments and Supplements to the Law on Foreign Exchange Operations (RS Official Gazette, No 119/2012)***

### **Article 37**

Regulations from Articles 4, 17, 18, 24 and 29 of this Law shall be adopted within six months from the day of effectiveness of this Law.

Regulations adopted based on the Law on Foreign Exchange Operations (RS Official Gazette, Nos 62/2006 and 31/2011), unless in contravention of the provisions of this Law, shall apply until the start of application of regulations from paragraph 1 of this Article.

### **Article 38**

On the day of effectiveness of this Law, the Decree on More Detailed Conditions and Manner of Transferring Claims and Debts Arising from Foreign Trade Operations of Residents (RS Official Gazette, No 112/2006), Decree on More Detailed Conditions and Manner of Collection and/or Payment to Other Non-Resident Under Current or Capital Transaction (RS Official Gazette, No 112/2006) and Decision on the Manner and Deadlines for Bank Reporting to the National Bank of Serbia on Purchase or Sale and/or Payment or Collection of Claims and Debts under Resident Foreign Trade Operations (RS Official Gazette, No 16/2007) shall cease to be valid.

### **Article 39**

This Law enters into force on 25 December 2012.

### ***Separate article of the Law on Amendments and Supplements to the Law on Foreign Exchange Operations (RS Official Gazette, No 139/2014)***

### **Article 7**

This Law is published in the RS Official Gazette and enters into force on 1 October 2015.

### ***Separate articles of the Law on Amendments and Supplements to the Law on Foreign Exchange Operations***

**(RS Official Gazette, No 30/2018)**

**Article 24**

As of 1 January 2019, the National Bank of Serbia shall take over the issue and revocation of authorisations to perform exchange operations and the supervision of foreign exchange operations of residents and non-residents and exchange operations.

For the purpose of performing the operations referred to in paragraph 1 of this Article, as of 1 January 2019, the National Bank of Serbia shall take over employees of the Ministry of Finance – Tax Administration (hereinafter: Tax Administration) who perform, as at 31 December 2018, the operations relating to the issuing and revocation of authorisations to perform exchange operations and supervision of foreign exchange operations of residents and non-residents and exchange operations, as well as the operational documents, items, equipment and means of labour used in the performance of those activities.

The minister in charge of finance and the governor of the National Bank of Serbia shall regulate in detail the takeover referred to in paragraphs 1 and 2 of this Article by an agreement, as well as any issues regarding the business space where the activities set out in paragraph 1 of this Article will be carried out.

Any procedures of issuing or revoking authorisations to perform exchange operations, as well as procedures of supervision of foreign exchange operations of residents and non-residents and exchange operations, initiated by the Tax Administration and not concluded by 31 December 2018, shall be concluded by the National Bank of Serbia in accordance with this Law.

Resident legal entities and entrepreneurs who had the decision granting authorisation to perform exchange operations issued by 31 December 2018 shall continue to operate based on that decision in accordance with the provisions of this Law.

Misdemeanour procedures initiated before the effectiveness hereof shall be completed in accordance with the provisions hereof, should that be more favourable for the perpetrator.

The rights arising from individual acts acquired on the basis of the Law on Foreign Exchange Operations (RS Official Gazette, Nos 62/2006, 31/2011, 119/2012 and 139/2014) shall be exercised within the time limits set by those individual acts.

**Article 25**

The regulations referred to in Articles 13 and 16 of this Law shall be adopted within six months of the day of effectiveness of this Law.

Until the start of application of the regulations referred to in paragraph 1 of this Article, the regulations adopted based on the Law on Foreign Exchange Operations (RS Official Gazette, Nos 62/2006, 31/2011, 119/2012 and 139/2014) shall apply, unless contrary to the provisions of this Law.

**Article 26**

On the day of effectiveness of this Law, the Decision on Terms and Manner in Which Banks May Buy Foreign Short-Term Securities in Foreign and Domestic Markets (RS Official Gazette, No 16/2007) shall cease to be valid.

**Article 27**

This Law enters into force on 28 April 2018, apart from the provisions of Articles 13–17, Article 19 and Article 20, paragraph 8 of this Law, which shall apply as of 1 January 2019.

***Separate articles of the Law on Amendments and Supplements to the Law on Foreign Exchange Operations  
(RS Official Gazette, No 19/2025)***

**Article 13**

The National Bank of Serbia shall adopt the regulations referred to in Articles 1 and 5 of this Law within three months of the day of effectiveness of this Law.

Until the start of application of the regulations referred to in paragraph 1 of this Article, the provisions of the regulations adopted based on the Law on Foreign Exchange Operations (RS Official Gazette, Nos 62/2006, 31/2011, 119/2012, 139/2014 and 30/2018) shall apply, unless contrary to the provisions of this Law.

The supervisory procedures referred to in Articles 45 and 46 of the Law on Foreign Exchange Operations (RS Official Gazette, Nos 62/2006, 31/2011, 119/2012, 139/2014 and 30/2018) initiated prior to the entry into force of this Law shall be concluded in accordance with the provisions of the regulations under which they were initiated.

A misdemeanour procedure initiated prior to the entry into force of this Law shall be concluded in accordance with the provisions of the Law on Foreign Exchange Operations (RS Official Gazette, Nos 62/2006, 31/2011, 119/2012, 139/2014 и 30/2018), except for the imposition of the safeguard measure referred to in Article 11 of this Law, which shall be imposed in accordance with the provisions of this Law.

The misdemeanour procedure referred to in paragraph 4 of this Article initiated against an authorised exchange dealer shall not be discontinued for the purpose of penalising such entity under the provisions of this Law and the regulations adopted based on this Law governing fines for authorised exchange dealers.

**Article 14**

This Law enters into force on the eighth day following its publication in the RS Official Gazette.