

Law on Amendments to the Law on the Central Bank of Bosnia and Herzegovina
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Bosnia and Herzegovina**

Article 1

Herein we replace word «three» by word «four» in the Law on the Central Bank of Bosnia and Herzegovina (Official Gazette of BH, No: 1/97, 29/02, 8/03, 13/03, 14/03 and 9/05) Article 20, Paragraph 1.

Article 2

In the Article 36, Paragraph 1 is changed and reads:

”By the Regulation of the Central Bank’s Governing Board, herein we define the minimal amount, which is calculated on deposits and borrowed funds, regardless in which currency the funds are denominated and which banks are subject to hold with the Central Bank, either through Main Office or Main Units. Required reserves are implemented equally for all banks.”

Article 3

In the Article 64, Paragraph 2 is changed to read:

”2. The Central Bank should prepare and submit, as soon as possible, but in any case within one month upon the end of the quarter, the preliminary (without revision done) financial report for that quarter to the Presidency of Bosnia and Herzegovina.”

Article 4

This Law enters in force the day following its publishing in the»Official Gazette of BH», and shall be published in the Official Gazettes of the Entities and Brčko District of Bosnia and Herzegovina.»

Explanation

I GROUND FOR DELIVERY OF THE AMANDMENTS

Ground for the Amendments to the Law on Central Bank of Bosnia and Herzegovina is contained in the Provision of the Article 3, Paragraph 1, Point d) in reference to the Article IV, Paragraph 4, Point a) of the Constitution of Bosnia and Herzegovina, according to which the monetary policy is defined, adopted and controlled by the Central Bank of Bosnia and Herzegovina, and Parliamentary Assembly of Bosnia and Herzegovina is authorized to implement the competencies defined by the Constitution of Bosnia and Herzegovina through the delivery of laws.

II REASONS FOR DELIVERY

Considering the practical reasons, herein we suggests the amendments to the Law on the Central Bank of Bosnia and Herzegovina, which are minor, but for operations of the Central Bank of Bosnia and Herzegovina are relevant. The amendments are suggested in the Article 20, Paragraph 1, Article 36, Paragraph 1 and Article 64, Paragraph 2 of the Law, as it follows:

- In the Article 20, Paragraph 1 we suggest the appointment of the Main Internal Auditor at the mandate period of four years, instead of three years. Namely, in the enactments of the Central Bank of Bosnia and Herzegovina it is regulated that the appointed persons (Vice Governors and Deputies of the Main Internal Auditor) are appointed at the mandate of four years, therefore the proposed amendment to the Law is intended to adjust the period of the assignment of the Main Internal Auditor, too.

-In the Article 36. Paragraph 1 we suggest the deleting of the defined rate of required reserves, which is defined in the amount of 20%. Namely, due to the practical reasons limiting of the minimal amount of the required reserves should not be defined by the Law on Central Bank of Bosnia and Herzegovina, but leave it to the Central Bank of Bosnia and Herzegovina Governing Board, as the bearer of the monetary policy arrangement, to define, by its regulation, the rate of the required reserves, specially while taking in consideration the permanent credit growth.

In the Article 64, Paragraph 2 we suggest the changes of the deadline for submission of the quarterly financial reports to Bosnia and Herzegovina Presidency, since in the defined deadline it is not possible to recuperate all necessary documents and to execute the adequate records needed for preparation of these reports, therefore in the passed period the quarter financial reports were submitted to the Presidency of Bosnia and Herzegovina within the deadline of a month after the expiration of the previous quarter, which is suggested by this amendment, too.