

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

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According to the Article VII, 1 of the Constitution of Bosnia and Herzegovina, the Parliamentary Assembly of Bosnia and Herzegovina, at its session of the House of Representatives, held on February 18, 2005, and at its session of the House of People, held on February 22, delivered

**THE LAW ON CHANGES AND ADDITIONS TO THE LAW ON THE  
CENTRAL BANK OF BOSNIA AND HERZEGOVINA**

**Article 1**

Herein we add the new Point “i” in the Law on Central Bank of Bosnia and Herzegovina (Official Gazette of BH, No. 1/97, 29/02, 8/03, 13/03 and 14/03), (hereinafter: Law), in the Paragraph 3 of the Article 2 after the Point h. The Point “i” reads as follows:

«i. To implement the actions in assisting the money laundry prevention, to assist anti terrorist measures and measures against obstruction of the General Framework Accord for Peace in Bosnia and Herzegovina», referring to the banks.»

**Article 2**

In the Article 7, in the Point h, the words «Comptroller General» are changed by words «Main Internal Auditor».

**Article 3**

The words «Comptroller General» are replaced by words «Main Internal Auditor» in the relevant case in the Article 20 in the title and the wording of the Paragraphs 1 to 4, as in the entire text of the Law.

**Article 4**

In the Article 25, Paragraph 1 is changed to read:

« The initial capital of the Central Bank has the value of 25 million Convertible Marks».

## **Article 5**

Article 27 is changed to read:

« Article 27»

### **Allocation of the net profit of the Central Bank»**

If the Central Bank performs the net profit in any year, the net profit is allocated by the Governing Board, implementing the following order of priorities:

- a) A part of the net profit is allocated at the account of general reserves of the Central Bank, in a way that the amount of the initial capital and the general reserves is equivalent to the amount of five percents of the total amount of the monetary liabilities (as defined by the Article 31 of the Law) as presented in the accounts of the Central Bank for the end of that financial year;
- b) The rest of the net profit is allocated in a way that 40 percents of it is allocated by the Governing Board and by its Decision on the increase of the capital and the reserve for the general reserves of the Central Bank, and 60 percents is paid by the Central Bank in the account of the institution in charge of Bosnia and Herzegovina budget, in the period of four months upon the end of the financial year;
- c) The net unrealized gain is allocated to the Valuation Reserves Account, which is kept in the Central Bank balance sheet.»

## **Article 6**

Article 28 is changed to read:

«Article 28

### **Allocation of the Central Bank net loss**

If the Central Bank incurs a net loss in any financial year, the net loss shall be allocated in line with the following:

- a) If the net loss contains net unrealized loss, it is allocated to the Valuation Reserves Account or if the Valuation Reserves Account balance is negative, as the consequence of such like allocation, this amount shall be allocated to general reserves up to the extent that the balance of the general reserves is not negative as the result of such allocation.
- b) The remaining loss composed of net realized losses shall be charged to the general reserves up to the extent that the balance of the general reserves is not negative as the result of a such allocation.»

## **Article 7**

Article 29 is changed to read:

### **«Article 29 Coverage of the deficit in the Central Bank Capital**

Whenever:

- a) In the quarter preliminary balance sheet (no audit done) of the Central Bank, which is prepared in accord to the Article 64 of the Law, the value of its assets falls below the amount of its liabilities and its capital and reserves,
- Or
- b) the amount of the general reserves of the Central Bank for any financial year is insufficient to cover the net loss as defined in the Article 28 of the Law, within two months upon the submission of the balance sheet, the Ministry responsible for Bosnia and Herzegovina budget shall provide Convertible Marks in the amount or the amounts which are necessary to cover the deficit .»

## **Article 8**

In the Article 30 the word «impaired » is deleted.

## **Article 9**

The allocation of the net profit of the Central Bank, in accordance to the Article 5 of this Law (Article 17 of the Law), shall be implemented according to the achieved work performance results for the 2004 financial year, no later than February 28, 2005.

## **Article 10 Term and Enforcement**

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

**PSBiH, No 150/05  
February 22, 2005  
Sarajevo**

Chairman  
Of the House of Representatives  
Of BIH Parliamentary Assembly  
**Šefik Džaferović, in person**

Chairman  
of the House of People  
Of BIH Parliamentary Assembly  
**Velimir Jukić, in person**