

**CENTRAL BANK OF BOSNIA AND HERZEGOVINA  
OFFICE OF THE VICE GOVERNOR**

Sarajevo, October 18, 2007.

TO ALL COMMERCIAL BANKS  
Att: Manager of the Bank

**SUBJECT: Realization of the project of interbanking money market**

Dear Sir/Madame,

The Central Bank of Bosnia and Herzegovina has provided the software for the electronic interbanking money market containing in itself three platforms for the interbanking trade in the real time and these being : a) trade of deposits in the KM, b) trade with foreign exchange assets and c) announcement of the transport and trade with the cash.

As mentioned in the Instruction on the obligation to introduce the software platform for the interbanking money market in commercial banks in Bosnia and Herzegovina, which we send to you enclosed, the use of software out of these three reasons among commercial banks shall be performed at the voluntary principle, i.e. if the banks estimate that they need such kind of operation. However, the use of software between the Central Bank of BiH and the commercial banks is obligatory and this for the jobs of KM sale and purchase, the announcement of transport of the cash and other jobs that are defined by the Central Bank. Therefore we ask banks to proceed without reserve in line with this letter, with the Instruction enclosed, but also with all other instructions and requests of the Central Bank of Bosnia and Herzegovina.

The Central Bank of Bosnia and Herzegovina will provide also the installation of the software in commercial banks by the end of October and beginning of November. The installations will be done in the locations defined by the commercial bank, pending on its organization. First of all, the installation will be done according to the functional criteria, therefore, on three locations at most (according to the software functionality: 1. KM deposits trade, 2. Trade of foreign exchange and 3. The announcement of transport and cash trade). While doing this, the bank has to take in account firstly its organization solutions in communication with the Central Bank of BiH, and related to the carrying out of KM sale and purchase jobs, the time when the platform will be used for the trade of foreign exchange funds (FX), and related to the cash operations (request, specification, transport announcement.....), the time when the platform for transport announcement and trade of cash shall be used.

In case the bank's organization enables the decentralized operations firstly with the cash, i.e. if it enables its branches to perform these jobs individually, as with the

Central Bank of Bosnia and Herzegovina, so as with other commercial banks, they will have available the installation of the software on these locations, too.

By the beginning of November, the first testing will be done related to the functionality and operational feature of the system, with the Central Bank and several commercial banks, on which the banks will be contacted by the organization units of the Central Bank of Bosnia and Herzegovina, through which they in fact perform the jobs of KM sale and purchase and the cash operations. In this case, the banks to carry out this first test, will have to ensure the below mentioned technical preconditions by the end of October, instead by the November 10, as foreseen for the other banks.

In the second half of November we expect the final testing with all banks and the beginning of the live operations, until when you will need to receive the user documents. Live operations in this sense understand a non obligatory part, i.e. the use of platform for trade among commercial banks.

After the Central Bank of Bosnia and Herzegovina defines all the jobs towards the commercial banks that in future shall be performed through this system and after the adjustment with the commercial banks, we will bring all necessary instructions and deliver them to the banks. After defining the capacities and qualifications of all participants, the Central Bank of Bosnia Herzegovina will define also the date of transfer to a new way of jobs performance in the conditions of use of the subject software platform. This migration is expected to occur by the end of the first quarter of the next year, but, we point out, it will be realized only after we evaluate the complete qualifications and the test proving of all participants.

In order to have the software installation realized with quality and in time, you are obliged to provide certain preconditions and to deliver us certain data, and those are:

1. Contact persons

To deliver the data on at last two contact persons through whom in future the all correspondence and the contacts will go. The data along with the first and family name should contain also the work position, number of telephone, fax, as well as, the email.

2. Location for the software installation

It is necessary to deliver to us the exact addresses and the names of the organizational units, which are the locations for the software installation in your Head Office (three at most). With each location you need to state the platform, i.e. the functionality/ies, which shall be performed from that location. Once again we mention here that with the Central Bank of Bosnia and Herzegovina the jobs of KM buying and selling shall be performed through the platform for foreign currencies trade (FX), and cash operations through the platform for the announcement of transport and trade with the cash.

### 3. Additional, decentralized locations

If the organization in your bank enables the decentralization of jobs, for instance, jobs with the cash (direct contact, not only of the Head Office but branch with the Central Bank of Bosnia and Herzegovina and other banks, per the request, specifications and the announcement of transport of cash), it is necessary, as in the previous Point to deliver precise names and addresses of such organizational parts (branches). If you intend to perform jobs per the foreseen functionalities only from the locations from the Central Bank (which is, as we know the most frequent case) then you don't have to deliver to us those data.

#### 3. Technical preconditions on the locations

At the delivered locations (Point 2 and 3) you are obliged to provide the following technical preconditions, no later than 10 November, this year and to inform on that the Central Bank of Bosnia and Herzegovina ( Saša Lemez, fax: +387 33 28 64 55 or e-mail: [slemez@cbbh.ba](mailto:slemez@cbbh.ba)):

- Computer of the minimal configuration (Intel P4 2GHz, 1GB RAM, HDD 20GB, 100Mbpsnetwork card, CD or DVD, 1 free USB port, MS Windows XP Professional SP2),
- Computer has to have the connection to the internet

#### 5. The authorized persons to whom the e-certificates shall be delivered

The access to the system, as well as, in the Central Bank of Bosnia and Herzegovina, so as in the commercial banks will be given only to those persons authorized by the own bank. In this case, too, the bank has to take in account the system's functionality (possibility of the access to the individual platform), but also the existing authorizations in work with the Central Bank of Bosnia and Herzegovina (the jobs of the KM buying and selling shall be performed through the platform for the announcement of transport and the cash trade). Also we should take care on the individual decentralization of certain jobs per branches, when the names of authorized persons from these organizational units should be delivered, too. The special attention of banks should be bestowed to their security procedures, by which the security of the system shall be ensured. The data should be delivered in the way described and within the deadline defined in the previous Points. The data should contain:

- a. Name and the address of a bank
- b. First and second name of the authorized person
- c. Title /work position
- d. Date of birth
- e. Personal identification number
- f. Number of the ID
- g. Place of ID Issuance
- h. Functionality for which the person is authorized (1. trade with the KM deposits, 2. trade with the foreign assets- FX and 3. Announcement of the transport and cash trade)

- i. The address of the location/s where the software is installed and on which the Certificate for the referent person shall be used
- j. Number of telephone and e-mail address
- k. Copy of the ID

We ask you to deliver all requested data within respective defined deadlines by mail to the following address:

Central Bank of Bosnia and Herzegovina  
Att: Edina Čobo  
Maršal Tito str. 25, 71000 Sarajevo

Contact persons on behalf of the Central Bank of Bosnia and Herzegovina:

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Sincerely,

VICE GOVERNOR

Feriha Imamović