

Pursuant to Articles 138 and 164 of the Banking Law („Official Gazette of the Federation of BiH“, number 27/17), Articles 5(1)(h) and 19(1)(c) of the Law on the Federation of Bosnia and Herzegovina Banking Agency („Official Gazette of the Federation of BiH“, number 75/17) and Article 12(1)(d) of the Statute of the Federation of Bosnia and Herzegovina Banking Agency („Official Gazette of the Federation of BiH“, number 03/18), the Management Board of the Federation of Bosnia and Herzegovina Banking Agency passed, at its session that was held on May 30<sup>th</sup>, 2022, the following

## **DECISION ON THE AMENDMENTS TO THE DECISION ON REQUIREMENTS FOR CONSOLIDATED BANKING GROUP**

### **Article 1**

- (1) In Article 1(1) of the Decision on Requirements for Consolidated Banking Group („Official Gazette of the Federation of BiH“, number 81/17), the word: „banking“ shall be added after the words: „risks at the level of that“.
- (2) In Paragraph (3), the words: „of the FBiH“ shall be deleted after the words: „the Banking Law“, and the words: „the Law on Accounting and Auditing of the FBiH“ shall be replaced with the words: „the Law on Accounting and Auditing in the Federation of Bosnia and Herzegovina“.
- (3) In Paragraph (5)(h), the word: „banking“ shall be added after the words: „structure of the“.

### **Article 2**

In Subparagraph (c) of Article 2, the word: „Banks“ shall be replaced with the word: „Bank“<sup>\*1</sup>.

### **Article 3**

- (1) In Paragraph (1) of Article 3, the word: „banking“ shall be added after the words: „and risk of the“.
- (2) In Subparagraph (a) of Paragraph (3), the word: „banking“ shall be added after the words: „on a consolidated basis of the“, in Subparagraph (c), the word: „banking“ shall be added after the words: „the risk to which the“, in Subparagraph (d), the word: „banking“ shall be added after the words: „governance authorities of the members of the“ and in Subparagraph (h), the word: „banking“ shall be added after the words: „between the members of the“.
- (3) Subparagraph (k) in Paragraph (3) shall be amended to read as follows:  
„k) to ensure a system of internal governance of the banking group with the objective of identification, prevention, and resolution of potential and possible conflicts of interest within the banking group, inadequate transactions between banking group members, spillovers of risks, etc.“
- (4) In Subparagraph (m) of Paragraph (3), the word: „banking“ shall be added after the words: „investments and expansion of the“, while the word: „banking“ shall be added after the words: „level of risk of the“.

### **Article 4**

- (1) In Paragraph (2) of Article 4, the word: „Banks“ shall be replaced with the word: „Bank“<sup>\*</sup>, while the words: „the Decision on Risk Management in Banks“ shall be replaced with the words: „the Decision on the Internal Governance Systems in Banks“.

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<sup>1</sup> \* indicates that the amendment is relevant only in local language as the plural form of the term is used in English translations for stylistic reasons

- (2) In Paragraph (3), the words: „group (within the meaning of Paragraph (6) of this Article).“ shall be replaced with the words: „group of companies, within the meaning of Paragraph (6) of this Article.“.
- (3) In Paragraph (4), the word: „banking“ shall be added after the words: „members of the“.

#### **Article 5**

In Subparagraph (b) of Article 5, the words: „the Decision on Risk Management in Banks;“ shall be replaced with the words: „the Decision on the Internal Governance Systems in Banks;“, in Subparagraph (d), the word: „banking“ shall be added after the words: „interaction between“ and the word: „banking“ shall be added after the word: „entire“.

#### **Article 6**

In Article 6(2)(c), the words: „(balance sheet and income statement)“ shall be replaced with the words: „(balance sheet – Statement of financial position as at the end of the period and income statement – Statement of overall performance for the period)“.

#### **Article 7**

In Article 7(7), the words: „the balance sheet of the subordinate company is below 1% of the balance sheet of the parent or subsidiary“ shall be replaced with the words: „the balance sheet - Statement of financial position as at the end of the period of the subordinate company is below 1% of the sum of the balance sheet - Statement of financial position as at the end of the period of the parent or subsidiary“.

#### **Article 8**

- (1) In Paragraph (1) of Article 8, the word: „Banks“ shall be replaced with the word: „Bank“\*.
- (2) In Paragraph (2), the word: „Banks“ shall be replaced with the word: „Bank“\*.
- (3) In Paragraph (3), the word: „Banks“ shall be replaced with the word: „Bank“\*.
- (4) In Paragraph (4), the word: „Banks“ shall be replaced with the word: „Bank“\*.
- (5) In Paragraph (5), the word: „banking“ shall be added after the words: „relating to risks at the“.
- (6) In Paragraph (6), the words: „minimum leverage ratio“ shall be replaced with the words: „minimum leverage ratio“<sup>2</sup>, while the word: „Banks“ shall be replaced with the word: „Bank“\*.

#### **Article 9**

- (1) In Paragraph (1) of Article 9, the word: „Banks“ shall be replaced with the word: „Bank“\*.
- (2) In Paragraph (2), the word: „Banks“ shall be replaced with the word: „Bank“\*.

#### **Article 10**

- (1) In Paragraph (1) of Article 10, the word: „Banks“ shall be replaced with the word: „Bank“\*.
- (2) In Paragraph (2), the word: „Banks“ shall be replaced with the word: „Bank“\*.
- (3) In Paragraph (3), the word: „Banks“ shall be replaced with the word: „Bank“\*.
- (4) In Paragraph (4), the word: „Banks“ shall be replaced with the word: „Bank“\*.
- (5) In Paragraph (5), the word: „Banks“ shall be replaced with the word: „Bank“\*.

#### **Article 11**

- (1) In Paragraph (1) of Article 11, the word: „Banks“ shall be replaced with the word: „Bank“\*.

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<sup>2</sup> This amendment is relevant only in local language as the term “financial” was added for clarification purposes since “leverage” is usually translated as “financial leverage” in local language.

- (2) In Paragraph (2), the word: „Banks“ shall be replaced with the word: „Bank“\*, while the words: „- Statement of overall performance for the period“ shall be added after the words: „income statement“.
- (3) In Paragraph (3), the word: „Banks“ shall be replaced with the word: „Bank“\*.
- (4) In Paragraph (4), the word: „Banks“ shall be replaced with the word: „Bank“\*.

#### **Article 12**

- (1) In Article 12, the heading: „Internal Capital Adequacy Assessment Process – ICAAP in Banks“ shall be amended to read as follows: „Internal Capital Adequacy Assessment Process - ICAAP and Internal Liquidity Adequacy Assessment Process – ILAAP in Banks“.
- (2) In Paragraph (1), the words: „as well as a continuous internal liquidity adequacy assessment process in order to determine and maintain an appropriate liquidity level at the banking group level“ shall be added after the words: „at the banking group level“.
- (3) In Paragraph (2), the words: „the Decision on the Internal Capital Adequacy Assessment Process in Banks“ shall be replaced with the words: „the Decision on the Internal Capital Adequacy Assessment Process and the Internal Liquidity Adequacy Assessment Process in a Bank“.

#### **Article 13**

In Article 14(3), the word: „banking“ shall be added after the words: „any of the members of the“.

#### **Article 14**

In Article 17(2), the words: „of companies“ shall be added after the words: „part of the group“.

#### **Article 15**

In Article 18, the word: „are“ shall be replaced with the word: „is“<sup>3</sup>, while the words: „the Decision on Minimum Standards for Managing Foreign Currency Risk of Banks“ shall be replaced with the words: „the Decision on Foreign Exchange Risk Management in Banks“.

#### **Article 16**

In Article 19, the words: „the minimum liquidity ratios“ shall be replaced with the words: „the regulatory quantitative liquidity coverage ratio and net stable funding ratio requirements“, while the word: „Banks“ shall be replaced with the word: „Bank“\*.

#### **Article 17**

In Article 21, the word: „with“ after the words: „Decision on [interest rate risk] management“ shall be deleted<sup>4</sup>.

#### **Article 18**

This Decision shall enter into force on the eighth day from the date of its gazetting in the „Official Gazette of the Federation of BiH“.

**Number: U.O.-76-04/22**  
**Sarajevo, May 30<sup>th</sup>, 2022**

**PRESIDENT OF**  
**THE MANAGEMENT BOARD**

**Ljerka Maric, MS, BSc (Econ.), sgd**

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<sup>3</sup> This amendment is relevant only in local language.

<sup>4</sup> This amendment is relevant only in local language.