

Law in the Registrar of Securities

I - GENERAL PROVISIONS

Article 1

Pursuant to this Law, founded will be the Registrar of Securities, and regulated are founding, legal status, equity, activities and bodies of an organization for operations of the Registrar of Securities (hereinafter: Registrar) in the Federation of Bosnia and Herzegovina (hereinafter: Federation).

Article 2

The Registrar conducts activities of registration, safekeeping and maintaining information on securities, as well as activities of securities transfer, in accordance with the law regulating the issuance and trading of securities. The Registrar may not conduct other activities except activities from paragraph 1 of this Article.

II - FOUNDING, LEGAL STATUS AND EQUITY

Article 3

The Registrar is founded as a joint stock company for conducting activities from Article 2 of this Law.

The commercial name of the Registrar is: "The Registrar of Securities in the Federation of Bosnia and Herzegovina", joint stock company, Sarajevo.

The abbreviated commercial name of the Registrar is "The Registrar of Securities, joint stock company, Sarajevo.

The seat of the Registrar is in Sarajevo.

The Registrar may have offices outside the location of the seat.

The Registrar has a seal that contains the Coat of Arms of the Federation and text written in Latin letters:

"Bosnia and Herzegovina - Federation of Bosnia and Herzegovina
Registrar of Securities".

Article 4

The equity of the Registrar is 100,000 (one hundred thousand) KM, provided fully by the Federation through payment in cash.

The equity of the Registrar is divided into 1,000 (thousand) shares with a nominal value of 100 (one hundred) KM.

Shares of the Registrar are registered shares and may be transferred on the basis of approval of the Securities Commission in the Federation (hereinafter: Commission).

Approval of the Commission is not required for the issuance of shares from Article 2 of this Law, whereas the Registrar issues new shares with the approval of the Commission in accordance with the Law.

Article 5

Provisions of the Law that regulate the founding, business operations, governance, and winding-up of a joint stock company are applied to the Registrar, unless determined otherwise by this Law.

Governance rights on basis of shares from Article 4 of this Law are conducted by the Commission on behalf of the Federation.

Article 6

Shares of the Federation from Article 4 of this Law will be sold to privately owned legal entities, at the latest 18 months from the coming into effect of this Law.

The privatization plan of the Registrar, pursuant to paragraph 1 of this Article, will be prepared and adopted by the Commission at the latest six months from the coming into effect of this Law.

Legal entities whose sole activity is intermediation in the trade of securities (hereinafter: professional intermediaries), funds management companies and other legal entities determined by the Commission are required to buy the shares of the Federation from Article 4 of this Law in the timeframes, amount and price determined by the Commission.

Shares from Article 4 of this Law are sold by the Commission on behalf of the Federation and the income realized through the sale of shares belongs to the budget of the Federation.

Article 7

The Commission may terminate the license for conducting operations of a professional intermediary or suspend its activities in the trade of securities of a legal entity which does not purchase shares of the Registrar in accordance with Article 6 paragraph 3 of this Law, or transfers the purchased shares of the Registrar without the approval of the Commission.

III - BODIES OF THE REGISTRAR

Article 8

Bodies of the Registrar are the Shareholder Meeting and the Supervisory Board.

Article 9

The first Shareholder Meeting of the Registrar is convened at the latest 30 days from the day when 10% of the shares of the Federation from Article 4 of this Law have been sold.

Article 10

The Supervisory Board of the Registrar consists of a President and four members.

One member of the Supervisory Board in the first two terms of office shall be appointed from foreign experts.

The Supervisory Board with a term of office until the first session of the Shareholder Meeting shall be appointed by the Commission, at the latest 30 days from the day of appointment of the Commission.

The Supervisory Board, at its first session, adopts the By-laws of the Registrar which is applied until the first session of the Shareholder Meeting of the Registrar.

Article 11

The President and members of the Supervisory Board may not:

1. be in matrimony with each other or in kinship neither in an ascendant line, nor in a collateral line, nor in-laws up to the third degree;
2. be a person convicted of a criminal act which is incompatible with service on the Supervisory Board;
3. be a member of a legislative, executive or court authority, or be a member of the Supervisory Board of a legal entity from Article 6 paragraph 3 of this Law, a bank, investment fund, pension fund, and insurance company;
4. possess, directly or indirectly more than 5% of the securities of a legal entity from Article 6 paragraph 3 of this Law, a bank, fund management company, investment fund, pension fund, and insurance company;
5. perform duties in a political party;
6. participate in political activities;
7. conduct activities that are not in accordance with the principles of protection of investors and the independence of the Registrar.

Article 12

The President and the members of the Supervisory Board shall be appointed with their written consent.

The candidate for President, and member of the Supervisory Board who conduct affairs from Article 11 item 3 of this Law, relieves himself/herself of such affairs or suspends his/her membership throughout the duration of his/her term of office on the Supervisory Board through a written consent from paragraph 1 of this Article.

IV - TRANSITIONAL AND CLOSING PROVISIONS

Article 13

The Prime Minister and Deputy Prime Minister of the Federation Government shall, within a period of 30 days from the day of coming into effect of this Law, appoint a temporary Director and Deputy Director of the Registrar, with a term of office lasting until the appointment of a director in accordance with the By-laws of the Registrar.

The temporary Director is authorized and responsible to conduct operations aimed at creating the technical, organizational and administrative conditions for the business operations of the Registrar.

Article 14

On the effective date of this Law, the application of laws and other regulations regulating these matters in the territory of the Federation, prior to the effectiveness of this Law, shall cease.

Article 15

This Law comes into effect on the eighth day after its publication in "The Official Gazette of the Federation of Bosnia and Herzegovina".