

PUBLIC DEBT LAW

I. GENERAL PROVISIONS

1. Subject of the Law

Article 1

This Law regulates conditions, manner and procedure under which the Republic of Serbia (hereinafter referred to as: the Republic) may borrow; manner and procedure under which units of territorial autonomy and local self-government (hereinafter referred to as: local government), Republic Health Fund, Republic pension funds and Labor Market Agency (hereinafter referred to as: organization for compulsory social insurance), public companies and other domestic legal entities founded by the Republic (hereinafter referred to as: legal entities) may borrow, issuing guaranties of the Republic and manner and procedure for managing public debt and keeping public debt record.

2. Definitions of Terms

Article 2

Certain terms used in this Law have the following meaning:

1. **Debt** is a monetary obligation or liability for borrowed money;
2. **Public Debt** is:
 - (1) Debt of the Republic, based on agreements concluded by the Republic;
 - (2) Debt of the Republic based on issuing securities (hereinafter referred to as: government securities);
 - (3) Debt of the Republic based on contracts/agreements according to which obligations of the Republic, pursuant to previously concluded agreements, have been rescheduled;
 - (4) Debt of the Republic, based on the guaranty issued by the Republic (hereinafter referred to as: guaranty), and/or based on counter-guaranty issued by the Republic;
 - (5) Debt of local government and legal entities indicated in Article 1 hereof for which the Republic has issued guarantees.
3. **Borrowing** is taking loans and issuing government securities for covering budget deficit, liquidity deficit and public debt refinancing and investment project financing; as well as issuing guaranties and counter-guaranties;
4. **Guaranty** is a contingent liability of the Republic to pay due but unpaid financial liability in the event when local government or legal entity has failed to make payment when due;
5. **Counter-guaranty** is a guarantee which the Republic issues to the state union of Serbia and Montenegro when the state union of Serbia and Montenegro is a guarantor for repayment of liabilities pursuant to loan agreement, the funds of which are used for the needs of the Republic or for other purposes in the Republic;

6. *Government securities* are short-term and long-term securities issued by the Republic;
7. *Financial institutions*, in the sense of this law, are banks, insurance companies, broker-dealer associations, pension funds, investment funds and saving houses;
8. *Primary market* is a market on which government securities are initially sold directly or through intermediaries;
9. *Foreign currency* is a currency of a foreign country;
10. *Privileged information* is information which is not publicly available but it is significant for determining price of government securities and the use of which may result in a financial benefit.

II. BORROWING OF THE REPUBLIC

Borrowing in Country and Abroad

Article 3

The Republic may borrow in country or abroad, i.e. on domestic or foreign market.

Borrowing in Domestic and Foreign Currency

Article 4

The Republic may borrow in domestic and foreign currency, in accordance with this law.

Borrowing by issuing short-term securities in country can be done only in domestic currency.

Authority to Borrow

Article 5

The Republic may borrow to finance budget deficit and liquidity deficit, to refinance the outstanding debt, to finance investment projects and to make payments on guaranties.

National Assembly of the Republic of Serbia decides on borrowing of the Republic by taking long-term loans, borrowing for investment projects financing, issuing guaranties and counter-guaranties, and on direct taking over of the liabilities based on issued guaranties.

Government of the Republic of Serbia (hereinafter referred to as: the Government) decides on issuing long-term government securities, unless it is otherwise regulated by Law.

The minister responsible for finance (hereinafter referred to as: the Minister of Finance) decides on taking short-term loans for budget deficit financing, liquidity financing and public debt refinancing, as well as on issuing short-term government securities.

The Minister of Finance is solely authorized, on behalf of the Government and in the name of the Republic, to contract borrowing, conclude loan agreements and/or issue government securities.

Exceptionally from the provisions indicated in paragraph 5 hereof, the Minister of Finance may authorize by decision another appointed person from the ministry responsible for finance (hereinafter referred to as: the Ministry) to conclude loan agreements or issue government securities.

Long-term loans and/or long-term government securities, in the sense of this Law, are loans and/or government securities the redemption of which is extended over the following budget years.

Taking loans and/or issuing government securities indicated in paragraphs 3 and 4 hereof, shall be done within the limit determined by the law regulating the budget of the Republic.

Acts on issuing government securities indicated in paragraphs 3 and 4 hereof shall be published in "Official Gazette of the Republic of Serbia".

Liquidity Borrowing

Article 6

Liquidity borrowing means taking loans and/or issuing government securities for the purpose of financing imbalances of revenues and expenses of the budget during a budget year.

The total amount of debt based on borrowing indicated in paragraph 1 hereof, must be repaid by December 31 of the current budget year.

During a fiscal year, liquidity borrowing must not exceed 5% of the total realized revenues in the previous budget year.

Borrowing for Budget Deficit Financing

Article 7

Borrowing for budget deficit financing means taking loans and/or issuing government securities. For this borrowing, the amount of debt is carried forward to the following budget years.

The amount of borrowing for budget deficit financing must not exceed the limit determined in the annual law regulating the Republic budget.

The limitation on borrowing shall be for the net amount of debt that can be outstanding at the end of a budget year. Separate limitations shall be established for borrowing in domestic and/or foreign currency.

In the case of government securities issued at a discount, the limitation shall be calculated on the basis of nominal value at the time the government securities were initially issued.

Borrowing for Refinancing Purposes

Article 8

The Republic may borrow for refinancing purposes by taking loans and/or issuing government securities, provided that the proceeds of such borrowing are applied solely to the repayment of outstanding debt and payments on issued guaranties.

Borrowing for Investment Projects Financing

Article 9

Borrowing for investment projects financing means taking loans and/or issuing government securities for the purpose of financing development projects which would enable improvement, efficiency and effectiveness of the industry and provide for social development of the Republic, provided that the financing lasts longer than a year.

Borrowing Procedure

Article 10

The Government, on the proposal of the Ministry, determines proposal of platform for negotiations about borrowing of the Republic by taking loans and decides on members of the delegation for negotiations.

Any negotiations in connection with the borrowing of the Republic shall at all times include a representative of the Ministry.

The Ministry shall submit to the Government report on negotiations, indicated in paragraph 1 hereof, together with draft loan agreement.

III. PUBLIC DEBT MANAGEMENT

Definition and Public Debt Management Strategy

Article 11

The goal of public debt management is to decrease borrowing expenses for the Republic in accordance with a prudent risk level.

Public debt management shall include:

- i) Contractual arrangements for risk management, including reducing or eliminating risk of changes in exchange rate, interest rates and other risks;
- ii) Making decisions on the purchase and sale of foreign exchange;
- iii) Monitoring daily balance of the consolidated treasury account system;
- iv) Investing and executing other transactions with public debt proceeds and other available cash of the Republic, after regular budget execution.

The Minister manages public debt and prepares public debt management strategy.

The public debt management strategy shall be submitted to the Government for approval once a year.

The strategy, indicated in paragraph 4 hereof, shall be integral part of Memo on Budget and Economic and Fiscal Policy for Budget Year and the Following Two Fiscal Years.

Public Debt Proceeds Management

Article 12

The consolidated treasury account shall have sub-accounts in domestic and foreign currency for the purpose of managing public debt proceeds and public debt repayment.

If the Minister of Finance, or an appointed person from the Ministry authorized by the Minister, determines that sub-account balance of public debt proceeds is sufficient to permit the purchase of a foreign currency needed for an imminent payment on public debt, he/she is authorized to engage in an exchange, swap, or other transaction to acquire, using such proceeds, the appropriate amount of the foreign currency.

Transactions indicated in paragraph 3 hereof with foreign exchange will be executed by the National Bank of Serbia.

IV. STATUS OF PUBLIC DEBT

Obligation to Repay Public Debt

Article 13

Public debt constitutes an absolute and unconditional obligation of the Republic, regarding repayment of principal, interest and other borrowing costs.

Obligation to repay public debt, indicated in paragraph 1 hereof, may be expressed in domestic or foreign currency.

Public debt repayment shall have a permanent appropriation in the Republic budget and priority over other public expenditures determined by law regulating the budget of the Republic.

Any provision of the Budget System Law that provides for a temporary suspension of budget execution shall not apply to the public debt repayment.

Amount of Public Debt

Article 14

Amount of public debt is the total amount of debt, expressed in domestic currency, which the Republic is obligated to repay for the liabilities determined in Article 2, point 2), items (1)-(3) of this Law, or for liabilities indicated in Article 2, point 2), items (4)-(5) of this Law, which become liabilities of the Republic when terms of the guaranty are met.

If the liability was contracted in a foreign currency, for the purpose of calculating the public debt, it shall be valued in the domestic currency at the official medium dinar exchange rate, defined by the National Bank of Serbia on the day of calculation.

Public Debt Repayment

Article 15

During the Republic budget execution, no changes in plan for depreciation of public debt or in methodology for implementation of that plan can be made, except in case of adjusting these payments to changes in liabilities for public debt.

Terms in the agreements that refer to public debt, cannot be changed unilaterally.

The Minister of Finance may conclude an agreement with the National Bank of Serbia for execution of certain operations in connection with public debt repayment.

V. ISSUING GUARANTIES

Authority to Issue Guaranties

Article 16

The Republic may issue guaranty for servicing debt of the state union of Serbia and Montenegro, for the Republic's part of debt.

The Republic may issue guaranty for servicing debt of legal entities indicated in Article 1 hereof (hereinafter referred to as: Debtors).

The Republic may issue guaranties, indicated in paragraphs 1 and 2 hereof, in accordance with the law regulating budget for current year.

The guaranties indicated in paragraphs 1 and 2 hereof are issued in the form of a law.

Volume of Funds for Issuing Guaranties

Article 17

The Republic may issue guaranty for long-term borrowing of the Debtors under conditions indicated in Article 16, paragraph 3 hereof, for the volume of funds determined pursuant to law and loan agreement.

Conditions for Issuing Guaranty

Article 18

A fee may be charged for issuing guarantees.

The Minister of Finance shall more closely regulate conditions that must be met by the Debtors, if they want the Republic to issue them a guaranty, as well as the procedure of submitting request for getting a guaranty, contents of the request, terms of security instruments, and amount of the fee indicated in paragraph 1 hereof.

Special Account

Article 19

The Minister of Finance shall open special account for depositing foreign loan proceeds in foreign currency (hereinafter referred to as: special account), with National

Bank of Serbia, for the loans of the Debtors, for which guaranty has been issued, if it is not regulated otherwise by the loan agreement.

The Minister of Finance, or an appointed person from the Ministry authorized by the Minister, shall give order for transferring funds from special account to loan beneficiary's account.

Repayment of Liabilities

Article 20

Debtors shall repay liabilities for which the Republic has issued a guaranty.

Repayment of Liabilities Based on Issued Guaranty

Article 21

Repayment of liabilities, based on issued guaranty, shall be contingent liability of the Republic.

The Republic shall service due but not paid liability, indicated in paragraph 1 hereof, if Debtor does not pay its liability on time, in accordance with conditions defined in the loan agreement.

Right of Recovery

Article 22

The obligation of the Debtor to pay the Republic on account of the issued guaranty, which the latter has made to the creditor, shall be unqualified and absolute.

If the Republic has fulfilled that obligation instead of the Debtor, based on the issued guaranty, or in the case that the Republic directly took over the liabilities, it has the right of recovery of principal, interest and other costs arisen due to default or untimely fulfillment of the liabilities, up to the amount of the liability paid and it also has the right to collect calculated legal late interest.

Right of recovery of funds indicated in paragraph 1 hereof, the Republic shall acquire by decreasing funds in determined budget appropriations and subsidies for the Debtors, at the amount that is equal to the amount of liability paid indicated in paragraph 2 hereof.

If the Debtor is not a Republic budget beneficiary, the Republic shall initiate collection from the Debtor's account, based on authorization received from the Debtor or other security instruments and pursuant to law and regulations relating to payment system, at the amount that is equal to the liability paid, indicated in paragraph 2 hereof, increased for calculated late interest, indicated in paragraph 2 hereof.

The Minister of Finance shall more closely regulate procedures and terms for transfer of funds, indicated in paragraphs 3 and 4 hereof.

Cessation of Guaranty Validity

Article 23

A guaranty shall cease to be valid when:

- 1) Debtor completely repays the loan to which the guaranty relates;
- 2) Term of guaranty validity has elapsed;
- 3) Payment on guaranty has been made pursuant to the issued guaranty.

Procedure for Issuing Guaranties

Article 24

The Government, on the proposal of the Ministry, determines proposal of platform for issuing guaranties.

Any negotiations in connection with the borrowing of the local governments and legal entities, when guaranty of the Republic is requested, shall at all times include a representative of the Ministry.

The Ministry shall submit to the Government report on negotiations, indicated in paragraph 2 hereof, together with draft loan agreement.

Issuing Counter-Guaranty

Article 25

The Republic shall issue counter-guaranty to the state union of Serbia and Montenegro under conditions and in the manner determined by the law regulating issuance of counter-guaranty.

Right of recovery, indicated in Article 22 hereof, the Republic has against the Debtor, the Republic will also have against loan beneficiary for which it has issued counter-guaranty to the state union of Serbia and Montenegro.

VI. GOVERNMENT SECURITIES

Issuing Government Securities

Article 26

The Government regulates general terms for issuance and sale of government securities on the primary market and other elements of government securities primary market.

Government securities shall be issued in dematerialized form.

The Minister of Finance may conclude an agreement with the National Bank of Serbia or Central Registry, Depository and Clearing of Securities Ltd. Belgrade (hereinafter referred to as: the Central Registry) for execution of certain operations in connection with government securities.

Buyers of Government Securities

Article 27

Government securities can be bought by all domestic legal entities and individuals.

Foreign legal entities and individuals can buy government securities under conditions determined by the Government.

Clearing and Settlement

Article 28

The Minister of Finance, or an appointed person from the Ministry authorized by the Minister, shall decide on clearing and settlement of primary issue of government securities that can be traded on international financial market.

The Minister of Finance shall decide on the selection of foreign clearing house.

Clearing and settlement of government securities issued on domestic market shall be performed by the Central Registry.

Redemption of Government Securities

Article 29

Government securities shall be redeemed on the maturity date defined in the act on the specific issue.

In the event the redemption date on account of government security occurs on other than a customary business day, then such redemption will be made on the first following business day.

Government securities may be redeemed at the option of the Minister of Finance, or an appointed person from the Ministry authorized by the Minister, before maturity date, only if such a provision is included in the act on the specific issue.

The Republic may repurchase government securities before maturity date providing that all investors are allowed to participate in repurchase of government securities before the maturity.

The Minister of Finance, or an appointed person from the Ministry authorized by the Minister, decides on the repurchase of government securities.

The Ministry announces public invitation for repurchase of government securities before their maturity.

Banning on Use of Privileged Information

Article 30

Nobody can buy government securities by using privileged information.

Banning on use of privileged information shall especially refer to persons who have privileged information, like:

1) Issuer's employees, as well as employees' spouses or partners, cousins, relatives and extended family members and all other legal entities and individuals for which it can be justified that they are connected to the employees or that they have mutual interests with the employees;

2) All persons who gain knowledge of privileged information during the course of their work;

3) All persons who knew or could know that they obtained privileged information.

The persons indicated in paragraph 2 of this Article, who have access to privileged information, must not reveal it to other persons nor they can advise other persons to trade government securities on the basis of privileged information.

Announcing Measures

Article 31

Participant on the primary market (hereinafter referred to as: the participant) may be banned to participate in purchase of government securities on the primary market.

The participant shall be banned to participate in purchase of government securities for the period of one year up to three years if:

1) It breaks this Law and/or other acts regulating issue and primary sale of government securities;

2) It does not fulfill its obligation on the basis of submitted bid for purchase of government securities;

3) It colludes with other participants on the primary market with the intention to affect the price level of government securities;

4) It buys government securities on the basis of privileged information.

The Minister of Finance shall issue a decision on banning participation in purchase of government securities on the primary market.

The decision indicated in paragraph 3 hereof shall be final and it can be subject to administrative procedure.

The decision indicated in paragraph 4 hereof shall be published in "Official Gazette of the Republic of Serbia".

Fee

Article 32

If the participant submits bid for purchase of government securities, such a bid shall be final and obligatory.

The Ministry shall calculate and charge a fee at the amount of 20% of nominal value of the submitted bid, to the participant which failed to fulfill its obligations on the basis of the submitted bid for purchase of government securities.

The Minister of Finance shall issue a decision on charging the fee indicated in paragraph 2 hereof.

The decision indicated in paragraph 3 hereof shall be final and it can be subject to administrative procedure.

The participant is obliged to pay the fee indicated in paragraph 2 hereof within 14 days from the day when it has received the decision on account of Republic budget execution.

The decision indicated in paragraph 4 hereof shall be published in "Official Gazette of the Republic of Serbia".

VII. LOCAL GOVERNMENT BORROWING

Authority for Local Government Borrowings

Article 33

A competent local government body makes decision on local government borrowing, after it has obtained opinion of the Ministry.

The opinion indicated in paragraph 1 hereof the Ministry shall issue within fifteen days from the day when the request for opinion has been delivered.

If the Ministry does not respond to the request for opinion within the term indicated in paragraph 2 hereof, it will be considered that the opinion is positive.

Local Government Borrowing

Article 34

Local government can borrow in country and abroad, i.e. on domestic and foreign market.

Local government can borrow in domestic currency and foreign currency, in accordance with this Law.

Local government cannot issue guarantees.

Local Government Liquidity Borrowing

Article 35

Local governments may borrow to finance liquidity deficit, due to imbalances in public revenues and public expenditures.

Total amount of borrowing indicated in paragraph 1 hereof must be repaid before the end of the budget year in which it has been issued and it cannot be subject to refinancing or other extension beyond the end of the budget year.

During a fiscal year, liquidity borrowing must not exceed 5% of total recurring realized local government budget revenues in the previous year.

Local Government Long-Term Borrowing

Article 36

Local government cannot borrow long-term except to finance or refinance capital investments that are included in an approved local government budget.

Amount of outstanding long-term borrowing for capital investment expenditures, indicated in paragraph 1 hereof, cannot be higher than 50% of total realized budget revenues of local government in the previous year.

Amount of principal and interest due in any future year on all outstanding long-term borrowing for capital investments, indicated in paragraph 1 hereof, cannot exceed 15% of the total local government budget revenues amount achieved in the previous year.

Manner Local Government Investment and Borrowing

Article 37

For the purpose of reducing borrowing costs and in accordance with prudent risk level, local government shall invest funds or execute other transactions with available cash after the regular local government budget execution, at interest rate that is not lower than the discount rate of the National Bank of Serbia.

Local governments may borrow by taking loans or issuing securities, provided however that any securities may only be sold to the Republic and financial institutions.

Local governments shall submit to the Ministry semi-annually the data by type of borrowing, amount and repayment of the borrowing, value and level of interest rates.

Right of Recovery

Article 38

If the Republic has fulfilled the obligation instead of the local government, based on the issued guarantee or counter-guarantee, or in the case that the Republic directly took over the liabilities, it has the right of recovery of principal, interest and other costs arisen due to default or untimely fulfillment of the liabilities and to collect legal late interest from local governments.

The Republic shall accomplish its right of recovery, indicated in paragraph 1 hereof, by limiting rights of municipalities, cities and the city of Belgrade to participate in share of taxes, collected by the Republic in their names or by activating other security instruments, up to the amount of the liabilities paid and calculated late interest till the day when the liability has been paid.

VIII. ORGANIZATIONS FOR COMPULSORY SOCIAL INSURANCE BORROWING

Organizations for Compulsory Social Insurance Borrowing

Article 39

The organizations for compulsory social insurance cannot borrow, except in the capital investment part of their financial plans, except in case of the Republic Health Insurance Fund that can borrow for purchase of medications.

Organizations for compulsory social insurance cannot issue guarantees.

Organizations for compulsory social insurance can borrow with domestic and foreign creditors for financing of capital investment expenditures that have to be in accordance with criteria regulated by the Government.

The provisions of paragraph 3 of this Article shall apply to the borrowing for purchase of medications referred to in paragraph 1 of this Article.

The decision on borrowing referred to in paragraph 3 of this Article shall be enacted by a competent body of an organization for compulsory social insurance.

The amount of borrowing referred to in paragraph 3 of this Article shall be determined in accordance with capabilities of the organization for compulsory social insurance to finance the repayment of principle and interest from its own revenues.

Should a short term liquidity deficit occur during the fiscal year, due to unbalanced movement of revenues and expenditures, its financing can be done only through borrowing from the budget of the Republic, on the basis of criteria set forth by the Government.

The total amount of the short term borrowing from the budget of the Republic, during one fiscal year must be repaid no later than November 30 of the year in which it is received.

The amount of borrowing, either short term or long term for capital investments, and/or medications, cannot exceed 20% of the total revenues of the financial plan of organization for compulsory social insurance, collected in the previous year.

IX. CONTROL, RECORD AND REPORTING

Technical and Financial Control

Article 40

Control of implementation of technical and financial provisions in loan agreements, or loans for which the Republic has issued guaranties, shall be performed by project implementation unit (hereinafter referred to as: PIU), established within loan beneficiary.

Every six months, PIU submits to the Agency and the line ministry report on control, indicated in paragraph 1 hereof.

The Minister of Finance shall regulate the form and contents of the report on control, indicated in paragraph 2 hereof.

Record and Reporting

Article 41

The Ministry keeps public debt record.

The record, indicated in paragraph 1 hereof, especially contains data about amount and repayment of public debt, issued guaranty or counter-guaranty, value, level of interest rates and fees for issued guaranties.

Once a year, the Ministry shall submit to the Government a report with information from the record, indicated in paragraph 1 hereof.

The Minister of Finance may conclude an agreement with the National Bank of Serbia for execution of certain operations in connection with keeping of the public debt record.

X. PUBLIC DEBT AGENCY

Establishment and Organization

Article 42

Public Debt Agency (hereinafter referred to as: the Agency) shall be established as a body within the Ministry and its jurisdiction and organization shall be regulated.

Organizational units shall be established for executing tasks within the jurisdiction of the Agency.

Manner of establishment, organizational structure and responsibilities of the organizational units indicated in paragraph 1 hereof, shall be regulated by the Minister of Finance act, at the proposal of the director of the Agency.

Management

Article 43

The agency shall be managed by a director.
The director of the Agency shall be appointed by the Government, at the proposal of the Minister of Finance.

Jurisdiction

Article 44

The Agency shall conduct operations in connection with public debt that refer to:

1. Monitoring negotiations on borrowing;
2. Government securities;
3. Managing public debt proceeds;
4. Risk reduction;
5. Monitoring and analyzing conditions and changes on domestic and foreign financial markets;
6. Preparing debt management strategy;
7. Monitoring local government borrowing;
8. Monitoring legal entities borrowing in the case when the guarantee is required;
9. Keeping records and accounting books on public debt;
10. Financial information system management;
11. Proposing ban on participation in purchase of government securities on the primary market;
12. Other operations, in accordance with law.

Providing Other Financial Services

Article 45

The Agency may provide other financial services and execute other operations in accordance with a contract, on the basis of which it charge a fee that represents Republic budget revenue.

The amount of fee for providing services indicated in paragraph 1 hereof, shall be determined by the Government at the proposal of the Minister of Finance.

Operating Funds

Article 46

Operating funds for the Agency shall be provided in the Republic budget.

XI. PENALTIES

Commercial Offence

Article 47

The Participant (legal entity) shall be charged from 300.000 to 3.000.000 dinars for commercial offence if it does not make payments on submitted bids for purchase of government securities (Article 31, paragraph 2, point 2 hereof).

A responsible person of the Participant shall be charged from 50.000 to 200.000 dinars for the commercial offence, indicated in paragraph 1 of this Article.

Article 48

The Participant (legal entity) shall be charged from 300.000 to 3.000.000 dinars for commercial offence if it colludes with other participants on the primary market before primary sale, with the intention to affect price of government securities (Article 31, paragraph 2, point 3 hereof).

A responsible person of the Participant shall be charged from 50.000 to 200.000 dinars for the offence indicated in paragraph 1 hereof.

Responsible Person Offence

Article 49

The responsible person of a budget user, organization of compulsory social insurance or legal entity shall be charged from 10.000 to 50.000 dinars if he/she borrows in a way contrary to the provision of this law.

Individual Offence

Article 50

The Buyer – individual shall be charged from 10.000 to 50.000 dinars if he/she colludes with other participants on the primary market before primary sale, with the intention to affect price of government securities.

XII. TRANSITIONAL AND FINAL PROVISIONS

Fulfilling Obligations based on Borrowing Concluded before this Law Has Come in Effect

Article 51

Loan agreements that the Republic concluded and acts on issuing securities which were issued before this Law has come in effect, shall remain valid under conditions defined in those loan agreements and/or acts on issuing securities.

Guaranties that the Republic issued before this Law has come in effect shall represent obligation of the Republic in accordance with the issued guaranty.

Procedures for Concluding Agreements that Have Already Started

Article 52

Procedures for contracting loan agreements and procedures for requesting guaranties of the Republic that started before this Law has come in effect, shall be continued pursuant to the provisions of this Law.

Validity Cessation of the Provisions of Certain Laws

Article 53

On the day when this Law comes in effect, the Articles 52, 53, 56, 57, 58, 59 and 60 and Article 73, paragraph 1, point 4 of the Budget System Law (“Official Gazette of the Republic of Serbia”, No. 9/02 and 87/02) shall cease to be valid.

If the provisions of other laws that are valid on the day when this Law comes in effect are contrary to this Law, the provision of this Law shall prevail.

The Ministry – Treasury Department shall execute the functions indicated in Article 44 hereof until the Agency starts functioning.

Coming in Effect

Article 54

This Law shall come in effect on the eight day from the day when it has been published in “Official Gazette of the Republic Serbia”.