

# **LAW ON AMENDMENTS AND SUPPLEMENTS TO THE LAW ON PRIVATIZATION OF STATE-OWNED CAPITAL IN ENTERPRISES**

## **Article 1**

In the Law on Privatization of State-Owned Capital in Enterprises ("Official Gazette of the Republic of Srpska", Number 51/06 and 1/07), Article 16 shall be changed to read as follows: "(1) Enterprises subject to privatization may carry out financial restructuring of the debt pursuant to this Law.

(2) The debt referred to in Paragraph 1 of this Article is the total debt of an enterprise – principal and interest (hereinafter: debt) towards creditors which has arisen on the basis of the following:

- a) taxes referred to in Article 4 of the Law on Tax Administration,
- b) liabilities to the budget of the Republic of Srpska on all other bases,
- c) loans and other debts to the Republican Directorate for Commodity Reserves of the Republic of Srpska,

(3) Creditor referred to in Paragraph 2, items a) and b) of this Article is the Ministry of Finance of the Republic of Srpska.

(4) The Tax Administration shall deliver to the Ministry of Finance harmonized data on the claims of creditors with reference to the debt which arises on the basis of item a) of this Article."

## **Article 2**

After Article 16, new Articles 16a, 16b, 16c, 16d, 16e and 16f shall be inserted and they shall read as follows:

### **"Article 16a**

Financial restructuring of the enterprise's debt shall be carried out through converting the debt into shares of the enterprise".

### **16b**

(1) Decision on intention to perform debt restructuring (hereinafter: decision) shall be made by the enterprise with agreement of the competent managing body in the enterprise".

(2) Besides decision, the enterprise shall deliver to the Bank the programme of financial restructuring (hereinafter: programme)

(3) The Bank shall define the contents of the programme by its internal regulation within 30 days from the day this Law comes into force.

(4) The Bank shall deliver the programme with the opinion on acceptability of restructuring to the Government for the final decision.

### **16c**

(1) After the Government's decision, management of the enterprise shall convene the assembly of the enterprise in order to decide on the capital increase by converting the debt into enterprises's shares in accordance with the valid legal regulations.

(2) In case the assembly of the enterprise does not decide to increase the capital by converting the debt into enterprise's shares, the Government's decision shall cease to be valid.

### **16d**

(1) Shares acquired by the Republic of Srpska in the conversion process shall be included in the portfolio of the Share Fund of the Republic of Srpska, except for shares of extrabudgetary funds and the Directorate for Commodity Reserves which belong to the aforementioned.

- (2) After change of ownership in the Central Registry, the Bank initiates the sale of the state-owned capital through envisaged methods, in accordance with this Law.
- (3) By entering ownership information in the Central Registry of Securities and concluding the agreement between the creditors and the enterprise, the creditors' claims subject to conversion shall cease to be valid.

16e

Share acquiring party, in the sense of this law, shall be free from obligation to announce the takeover bid pursuant to valid legal provisions which regulate the stated area.

16f

- (1) The amount of the debt subject to conversion shall not be liable to restrictions which refer to the amount of the share capital in the enterprise.
- (2) By converting the enterprise's debt into shares, the state-owned capital in enterprises referred to in Article 6 of this Law cannot be less than 50% + one share".

### **Article 3**

In the event that this Law contains solutions different from other laws, the provisions of this Law shall be applicable.

### **Article 4**

This Law shall come into force on the 8th day from the date of publishing in the "Official Gazette of the Republic of Srpska".

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31 May 2007

Banja Luka

President of the National Assembly  
**Igor Radojičić**