

Pursuant to Article 11, item 9, Article 12, item 13 and in connection with Article 13 of the Law on the Securities Commission ("Official Gazette of the Federation of BiH," No. 39/98, 36/99 and 33/04) and Articles 76a and 140a of the Security Market Law ("Official Gazette of the Federation of BiH," no. 85/08 and 109/12), the Securities Commission of the Federation of BiH, at its 371<sup>st</sup> session held on June 18, 2013, adopted the following

**RULEBOOK  
ON QUALIFYING SHARE OF SECURITIES MARKET PARTICIPANTS**

Article 1

This Rulebook stipulates the criteria for the assessment of requests and documents submitted alongside the request for granting consent on acquiring qualifying share with the brokers and the stock exchange.

Article 2

For the purpose of these Rules, the authorized participants on the securities market (hereinafter: authorized participants) shall mean professional brokers as set forth in Article 69, paragraph (1) of the Security Market Law (hereinafter: SML) and the stock exchange.

Article 3

(1) Any natural or legal person or such persons acting in concert in accordance with Article 3 of the SML (hereinafter referred to as the proposed acquirer) who intend either to acquire or increase the qualifying share in the equity of the authorized participant resulting in the percentage of the participation/share reaching the level stipulated under Article 76a, paragraph (1) of the SML shall first submit an application to the Securities Commission of the Federation of BiH (hereinafter referred to as the Securities Commission) for granting of consent to acquire the qualifying share in the share capital.

(2) The application shall be filed on a form including the enclosed documentation stipulated under these Rules.

(3) The documentation enclosed with the application shall either be original or certified copies issued not more than six months before the date of the application submission.

(4) Foreign natural or legal persons shall submit the stipulated certified documentation both in the original and the translated version issued by a certified court translator/interpreter.

(5) The forms referred to in these Rules (a statement for a legal entity – qualifying share with the authorized participant and a statement for a natural person – qualifying share with the authorized participant – hereinafter referred to as the statement) shall be submitted to the Commission in written form and need to be completed in clear script without subsequent amendments, and with notary public certification.

Article 4

(1) In addition to the request for acquiring a qualifying share, the proposed acquirer/legal entity shall submit the following:

- a) a valid extract from a court/other register in an original or certified copy;
- b) list of Management and Supervisory Board members of the proposed acquirer – in the statement;

- c) list of founders of the proposed acquirer holding 30% participation/shares and a list of natural persons and/legal entities that control, directly or indirectly, the founder of the proposed acquirer – in the statement;
  - d) a list of persons who are connected with the proposed acquirer in accordance with Article 76 of the SML and a description of the nature of their connections (for professional brokers) – in the statement;
  - e) a list of persons with identification information who comprise a group of persons connected with the proposed acquirer in accordance with Article 3, paragraph 1 hereof, and a description of the nature of their connections – in the statement;
  - f) a financial report and an audit report for the previous fiscal year if the proposed acquirer has an audit requirement and a semi-annual report for the current year if the application was submitted after August 31 of the current year;
  - g) a statement that a bankruptcy procedure over the assets of the proposed acquirer and the assets of its founder (legal entity) holding 50% or more of the share capital has not been initiated (in the statement form);
  - h) verification that safety measures in the form of a ban to conduct activities with securities have not been pronounced against the proposed acquirer or members of the bodies of the proposed acquirer, that the measures have not expired or have not been put in force yet and that there are no legal consequences of the ban of securities trading imposed against the proposed acquirer or members of the bodies of the proposed acquirer;
  - i) a properly completed form (statement for a legal entity – qualifying share with the authorized participant) which constitutes an integral part of these Rules and which has been published on the Securities Commission website.
- (2) In addition to the request for acquiring qualifying share, the proposed acquirer/natural person shall submit the following:
- a) a certified copy of the identification documents (ID card/passport) and a verification document on the domicile address and the place of temporary residence (if there is a temporary residence);
  - b) a resume including a list of all the companies and their addresses in which the person has been/is employed, in which he has been and/or is still a member of the Management and Supervisory Board and the companies in which he has or had shares/stocks – in the statement;
  - c) a list of persons who are connected with the proposed acquirer in accordance with Article 76 of the SML and a description of the nature of their connections (for professional brokers) – in the statement;
  - d) a list of persons with identification data who comprise a group of persons connected with the proposed acquirer in accordance with Article 3, paragraph 1 of these Rules and a description of the nature of their connections – in the statement;
  - e) proof certifying that charges have not been filed against the proposed acquirer nor has he got an invalid sentence pronounced against him in BiH or any other country for charges against economy, business operations and safety of payment transactions, property, judiciary, payment operations, bribery and misuse of authority or other responsibility, felonies stemming under SML;
  - f) proof certifying that the proposed acquirer does not have a res judicata pronounced against him for felonies stemming under item h) of this paragraph and that there are no legal consequences of the conviction for the aforementioned misdemeanours;
  - g) verification that safety measures in the form of a ban to conduct activities with securities have not been pronounced against the proposed acquirer, that the measures have not expired or have not been put in force yet;
  - h) a properly completed form (statement for a natural person – qualifying share with the authorized participant) which constitutes an integral part of these Rules and which has been published on the Securities Commission website.

- (3) The application stemming under paragraphs (1) and (3) of the Article of these Rules shall be filed on a form published on the Securities Commission website.
- (4) The enclosing documents must be complete, comprehensible and without any deficiencies in order to enable a decision-making regarding the application of the proposed acquirer.

#### Article 5

If the proposed acquirer is a financial holding he shall also include documentation that makes it evident that the organizational structure within the group enables the Commission to receive all the information and data required for its monitoring.

#### Article 6

During the processing of the request, the Commission may request any other documentation which it assesses as necessary in order to make a decision on the application notably the information and documentation stipulated under the law and other regulations regulating the prevention of money laundering and financing of terrorism, the data of the relevant authority from the country of origin of the proposed acquirer. Furthermore, the Commission may also invite the natural person and the authorized representative of the proposed acquirer for an interview within the Commission premises.

#### Article 7

- (1) In granting its approval, the Securities Commission shall evaluate the following:
- a) for the proposed acquirer who is a legal person
    - the business success and the financial position of the proposed acquirer as well as his effect on the success of the business operations and the financial position of the authorized participant;
    - whether or not the funding sources to be used for the financing of the qualifying share have been incurred as a result of the violation of regulations on the prevention of money laundering;
    - influence on the position of the authorized participant and whether the authorized participant will be able to fulfil all the requirements stipulated under licence viability;
    - verifications stemming under Article 4, paragraph (1), items j) and k);
    - whether the proposed acquirer has been or is a subject of enquiry for violating business standards or standards of the local and/or international securities regulatory body, local and/or international securities register body and other related activities, activities of the stock exchange, professional association or state authorities;
    - whether the proposed acquirer has been linked to a company whose security trading licence has been revoked/suspended and/or is linked to a company which has been pronounced other measures for performing securities activities.
  - b) For a proposed acquirer who is a natural person
    - whether or not the funding sources to be used for the financing of the qualifying share have been incurred as a result of the violation of regulations on the prevention of money laundering;
    - information on the total debt of the proposed acquirer and the effects of his debt onto the financial position and the capability of the proposed acquirer to fulfil the stipulated conditions for sustaining the licence of an authorized participant;
    - verifications stemming under Article 4, paragraph (1), items j) and k);
    - whether the proposed acquirer has been or is a subject of enquiry for violating business standards or standards of the local and/or international securities regulatory body, local and/or international securities register body and other related activities, activities of the stock exchange, professional association or state authorities, the

admissibility of the strategy and the action plan of the proposed acquirer for the activities performed by the authorized participant;

- whether the proposed acquirer had been a Director, a member of the Management Board or a founder of the company whose licence has been revoked/suspended or who has been refused licence issuing or bankruptcy proceedings have been launched;
- whether the proposed acquirer has been linked to a company whose security trading licence has been revoked/suspended and/or is linked to a company which has been pronounced other measures for performing securities activities.

#### Article 8

(1) In case that the Commission assess on the grounds of the submitted documentation that the proposed acquirer and his activities will have a positive influence on the business operations and development of the authorized participant and the market as a whole, it shall grant a consent for the proposed acquirer.

(2) The Securities Commission shall not grant a consent if it assesses on the grounds of submitted documentation and data that the proposed acquirer might have a negative effect on the business operations of the authorized participant and that the connections of natural and/or legal persons in the position to control and/or have a significant influence on the authorized participant may prevent the efficiency of the Commission's supervisory role.

(3) The Securities Commission shall not grant consent if it assesses that despite the attainment of conditions stemming under these Rules, the consent might be detrimental for the securities market and that the granting of the consent may in any way violate the interests of the authorized participant, the investor or the public on the securities market.

(4) In the event stemming under paragraph (3) of the Article of these Rules, the Commission shall establish all the circumstances and reasons indicating to the fact that the granting of the consent might be detrimental for the securities market or that it may in any way violate the interests of the authorized participant, the investor or the public on the securities market. All the reasons shall be separately elaborated in details.

#### Article 9

Should there be a change of circumstances under which the consent for acquiring qualifying share was granted and such changes could significantly alter the Commission decision, the Securities Commission shall revoke the consent.

#### Article 10

Every legal and/or natural person intending to acquire shares of the authorized participant in the amount which does not constitute a qualifying share shall inform the Commission of its intent in order to monitor the connection set out in Article 3, paragraph (1) of these Rules and the shareholders/stakeholders.

#### Article 11

(1) The authorized participant shall inform the Commission on all changes set out in Article 76b of the SML.

(2) The authorized participant shall file a report at the end of the fiscal year on all qualified stakeholders.

#### Article 12

These Rules shall be applied on all qualified stakeholders who have acquired their participations until the day this Rules enters force.

### Article 13

These Rules shall enter into force eight days after being published in the “Official Gazette of the Federation of BiH.”

Hasan Čelam

President  
of the Securities Commission of the  
Federation of Bosnia and Herzegovina

Ref. No.: 01-02-1577/13  
In Sarajevo, 18 June, 2013

**Form: Statement for legal entity – qualifying share with the authorized participant**

**STATEMENT  
FOR THE LEGAL ENTITY ACQUIRING A QUALIFYING SHARE WITH THE  
AUTHORIZED PARTICIPANT**

**1. BASIC INFORMATION ON THE PERSON ACQUIRING QUALIFYING SHARE**

Name	
Personal identification number	
Place and seat address	
Authorized representative	
Company founders	
Date and number of the decision on the company's entry into the court register	
Main company activity	

**2. LIST OF MANAGEMENT AND SUPERVISORY BOARD MEMBERS OF THE PROPOSED ACQUIRER**

MANAGEMENT		SUPERVISORY BOARD	
Name and surname	Address	Name and surname	Address

**3. PROPOSED ACQUIRER FOUNDERS HOLDING 30% OR MORE STAKES/SHARES AND LIST OF FINAL STAKEHOLDERS/SHAREHOLDERS OF THE PROPOSED ACQUIRER**

Title/name and surname	address		Stakeholder/Shareholder	
	seat	Domicile/place of residence (natural person)	Amount in KM	%

**4. PERSONS CONNECTED WITH THE PROPOSED ACQUIRER IN ACCORDANCE WITH ARTICLE 4, PARAGRAPH (1), ITEM D) OF THE RULES**

**Note:** to be completed only by the applicant for the qualifying share with the professional broker

Title/name and surname	Personal ID number	Share capital amount /KM	% in share capital	Date of acquisition

Connection description: .....

**5. PERSONS COMPRISING A GROUP OF CONNECTED PERSONS WITH THE PROPOSED ACQUIRER**

(Article 4, paragraph (1), item E) of the Rules

Title/name and surname	Address	Connection description

**6. TOTAL DEBT OF THE PROPOSED ACQUIRER WITH THE LOCAL AND INTERNATIONAL LEGAL AND NATURAL PERSONS**

Title/name of the person and amount of debt

**7. FUNDING SOURCE DESCRIPTION**

(name the source and provide detailed explanation)

**Funds have been obtained legally**

**YES**

**NO (please explain) -----**

**8. HAVE YOU BEEN/ARE YOU A SUBJECT OF ENQUIRY OF THE LOCAL AND/OR INTERNATIONAL SECURITIES REGULATORY BODY, LOCAL AND/OR INTERNATIONAL SECURITIES REGISTER BODY, THE STOCK EXCHANGE AND/OR OTHER ORGANIZED MARKET (LOCAL AND/OR INTERNATIONAL) OR STATE AUTHORITIES/AGENCY**

YES (explain in details)

NO

**9. ARE THERE ANY OTHER CIRCUMSTANCES WHICH MIGHT BE IMPORTANT FOR EVALUATING THE PROPOSED ACQUIRER IN ACQUIRING THE QUALIFYING SHARE?**

YES (list circumstances)

NO

We declare under penalty and verify with our signature on this document:

- 1) that all the statements in this form are true, complete and within the limits of our knowledge and that we have not suppressed any information which might affect the Commission's decision; and
- 2) that we will promptly inform the Commission on any changes which might affect the granted consent.

\_\_\_\_\_  
Place, date

\_\_\_\_\_  
Stamp full name and surname and signature of the person  
giving the statement

**NOTE**

- The form must be completed in clear script, legibly and without subsequent corrections.
- Each page of the form must be signed

- The information provided in the form is strictly confidential and will be made available solely to the Commission for the purpose of granting approval for the acquisition of a qualifying share

**Form: Statement for natural person– qualifying share with the authorized participant**

**STATEMENT  
FOR THE NATURAL PERSON ACQUIRING A QUALIFYING SHARE WITH THE  
AUTHORIZED PARTICIPANT**

**1. BASIC INFORMATION ON THE PERSON ACQUIRING QUALIFYING SHARE**

Name and surname and the name of one parent	
Personal identity number	
Date and place of birth	
Domicile address	
Address of residence	
Citizenship(s)	
Qualification (degree)	

**2. INFORMATION ON CURRENT WORKING ENGAGEMENT**

Name and seat of the company of employment	
Position/function performed	
Total working experience	
Experience in performing activities relating to securities	
Other companies engaging the person under temporary contracts...etc	

**3. WORK EXPERIENCE**

(list of all companies of previous and current employment and the functions taken including engagements under temporary contracts in companies/state authorities/institutions)

Company/institution/state authority/other	Engagement description	Period of engagement

**4. INFORMATION ON MEMBERSHIP IN MANAGEMENT AND/OR SUPERVISORY BOARDS  
(in local/international companies)**

company (local and international)	function	Date of nomination/appointment

**5. INFORMATION ON THE COMPANY IN WHICH YOU HOLD 30% OR MORE SHARES IN THE COMPANY'S SHARE CAPITAL (local and international) PODACI O DRUŠTVU U**

Name and address	
Amount and % of share	
Other founders (stakeholders/shareholders with 30% or more)	
Authorized company representative	
Supervisory /Management Board	
Date of acquisition	

**6. ARE YOU CONNECTED IN ACCORDANCE WITH ARTICLE 4, PARAGRAPH (3), ITEM C) OF THE RULES**

**Note:** *to be completed only by the applicant for a qualifying share with the professional broker*

Describe the connection in detail

**7. PERSONS COMPRISING A GROUP OF CONNECTED PERSONS WITH THE PROPOSED (Article 4, paragraph (3), item D) of the Rules)**

Name and surname/title	address	Connection description

**8. HAVE CHARGES BEEN FILED AGAINST YOU OR HAVE GOT AN INVALID SENTENCE PRONOUNCED AGAINST YOU IN BIH OR ANY OTHER COUNTRY FOR CHARGES AGAINST ECONOMY, BUSINESS OPERATIONS AND SAFETY OF PAYMENT TRANSACTIONS, PROPERTY, JUDICIARY, PAYMENT OPERATIONS, BRIBERY AND MISUSE OF AUTHORITY OR OTHER RESPONSIBILITY, FELONIES STEMMING UNDER SML?**

YES (list the procedure and the relevant court/judiciary)

NO

**9. IS THERE A RES JUDICATA PRONOUNCED AGAINST YOU FOR FELONIES STEMMING UNDER ITEM 8. OF THESE RULES OF THIS PARAGRAPH AND ARE THERE ANY LEGAL CONSEQUENCES OF THE CONVICTION FOR THE AFOREMENTIONED MISDEMEANOURS?**

YES (list the procedure and the relevant court/judiciary)

NO

**10. HAVE SAFETY MEASURES IN THE FORM OF A BAN TO CONDUCT ACTIVITIES WITH SECURITIES BEEN PRONOUNCED AND ARE THEY STILL IN FORCE OR HAVE THEY NOT BEEN PUT IN FORCE YET?**

YES (list the procedure and the relevant court/judiciary)

NO

**11. FUNDING SOURCE DESCRIPTION**

(name the source and provide detailed explanation)

**Funds have been obtained legally**

YES

NO (please explain) -----

**12. HAVE YOU BEEN A MEMBER OF THE MANAGEMENT BOARD OF A COMPANY WHICH HAS BEEN PRONOUNCED A SAFETY MEASURE BY A RELEVANT AUTHORITY DURING SUPERVISION DUE TO ESTABLISHED IRREGULARITIES OR HAS YOUR**

**CONSENT/LICENCE FOR PERFORMING ACTIVITIES WITH SECURITIES BEEN REVOKED (in the country and/or abroad)?**

YES (explain in details)

NO

**13. HAVE YOU BEEN A DIRECTOR, A MEMBER OF THE MANAGEMENT BOARD OR A FOUNDER OF THE COMPANY WHOSE LICENCE HAS BEEN REVOKED/SUSPENDED OR WHO HAS BEEN REFUSED LICENCE ISSUING OR BANKRUPTCY PROCEEDINGS HAVE BEEN LAUNCHED (in the country and/or abroad)**

YES (explain in details)

NO

**14. HAVE YOU BEEN/ARE YOU A SUBJECT OF ENQUIRY OF THE LOCAL AND/OR INTERNATIONAL SECURITIES REGULATORY BODY, LOCAL AND/OR INTERNATIONAL SECURITIES REGISTER BODY, THE STOCK EXCHANGE AND/OR OTHER ORGANIZED MARKET (LOCAL AND/OR INTERNATIONAL) OR STATE AUTHORITIES/AGENCY**

YES (explain in details)

NO

**15. ARE THERE ANY OTHER CIRCUMSTANCES WHICH MIGHT BE IMPORTANT FOR EVALUATING THE PROPOSED ACQUIRER IN ACQUIRING THE QUALIFYING SHARE?**

YES (list circumstances)

NO

We declare under penalty and verify with our signature on this document:

- 1) that all the statements in this form are true, complete and within the limits of our knowledge and that we have not suppressed any information which might affect the Commission's decision; and
- 2) that we will promptly inform the Commission on any changes which might affect the granted consent.

\_\_\_\_\_  
Place, date

Stamp    \_\_\_\_\_  
full name and surname and signature of the person  
giving the statement

**NOTE**

- The form must be completed in clear script, legibly and without subsequent corrections.
- Each page of the form must be signed
- The information provided in the form is strictly confidential and will be made available solely to the Commission for the purpose of granting approval for the acquisition of a qualifying share