

*[Consolidated text incorporating amendments adopted in December 2012, October 2013, July 2014, December 2014, December 2015, March 2016, January 2018, March 2018, October 2018, December 2018, June 2019, January 2020, March 2020, August 2021, October 2022, January 2023, February 2023, August 2023, October 2023, and January 2024]*

Pursuant to Articles 220 and 298 of the Law on the Capital Market (*Official Gazette of the Republic of Serbia*, No. 31/2011) and Article 31, Paragraph 1, Item 2) of the Statute of the Central Securities Depository and Clearing House, the Board of Directors of the Central Securities Depository and Clearing House, at its 12th sitting, held on this 27th day of April, 2012, hereby adopts these

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## **OPERATING RULES OF THE CENTRAL SECURITIES DEPOSITORY AND CLEARING HOUSE**

*(Consolidated text effective October 12<sup>nd</sup> 2023)*

### **I. BASIC PROVISIONS**

1. [1] The Central Securities Depository and Clearing House ('the CSD') shall be a joint-stock company responsible for the clearing, settlement and registration of transactions involving financial instruments.

[2] The CSD shall also be responsible for other duties, as provided for under legislation governing the capital market; public debt, takeovers of joint-stock companies; companies; banks; open-ended investment funds subject to public offering, alternative investment funds, voluntary pension funds; privatisation; prevention of money laundering and terrorism financing; restrictions on the disposal of assets with the aim of preventing terrorism and proliferation of weapons of mass destruction (with the final two pieces of legislation collectively referred to as 'anti-money laundering and counter terrorist financing law'); as well as under other laws.

2. The CSD shall perform the following activities:

- Maintenance of the register of financial instruments;
- Opening and maintenance of financial instrument accounts;
- Maintenance of the register of pledges on financial instruments;
- Maintenance and retention of electronic records of financial instruments;
- Maintenance of CSD members' cash settlement accounts;
- Registration and deregistration of and all changes to financial instruments;
- Organisation and management of the settlement system, clearing and settlement pursuant to transactions entered into involving financial instruments, and assessment of the mutual obligations of CSD members and their clients;
- Transfer of financial instruments and interests arising from financial instruments;
- Generation and assignment of unique identifiers of financial instruments;
- Maintenance of a list of codes denoting types of financial instruments;
- Operations in connection with corporate actions taken by issuers of financial instruments;

- Depositing of shares in connection with takeovers of joint-stock companies;
- Establishment and use of the guarantee fund and operations in connection with other risk mitigation measures in the event of non-performance by a CSD member;
- Participation in activities of international organisations that deal with financial instruments and co-operation with such organisations, and
- Other duties pursuant to law, including operations required for the performance of duties mandated by law.

2a. [1] These Operating Rules of the CSD shall govern the performance of the activities referred to in Section 2 hereof, as well as other issues of relevance for the operation of the CSD.

[2] Notwithstanding Paragraph [1] of this Section, the CSD shall adopt special byelaws to regulate registration, issue, clearing and settlement, transfer, payment, corporate actions, and other operations in connection with particular financial instruments issued by the Republic of Serbia where those operations are undertaken by one or multiple foreign legal persons retained pursuant to legislation governing public debt and legislation governing the capital market with which the CSD has established a connection that allows the performance of those operations.

[3] The settlement cycle and the time period in which members of the CSD shall be required to take particular actions in connection with the operations referred to in Paragraph [2] of this Section shall be governed by the Term Schedule of the CSD.

3. [1] Decisions of the CSD pursuant to these Operating Rules shall be made by the Director of the CSD.

[2] The Director of the CSD may empower one or multiple persons employed by the CSD to make particular decisions or temporarily make all decisions, pursuant to these Operating Rules.

[3] Any decision made by any person referred to in Paragraph [2] of this Section must include the number and date of the enactment empowering them to make such decision.

[4] The CSD shall receive and send documents by mail and by personal delivery, at its business premises, during the working hours of its registry office as determined by the Director of the CSD, and, by way of an exception, electronically (by e-mail) where expressly permitted by these Operating Rules.

3a. [1] The Director of the CSD shall adopt technical instructions to regulate in detail actions of members and other persons in transactions undertaken with the CSD.

[2] The technical instructions referred to in Paragraph [1] of this Section shall be published on the website of the CSD or in the client-side web application of the CSD.

4. [1] The CSD shall act pursuant to:

- Applications of members, courts, enforcement officers, notaries public, other relevant government bodies, issuers, or any other persons with due standing;
- Documents accompanying applications as mandated by these Operating Rules;
- Data publicly available in public or official registers maintained in the Republic of Serbia.

[2] Any application lodged with the CSD must be made in the Serbian language, clearly understandable, printed or written in a legible hand, if lodged by a natural person, and indicate the first and last name, national identification number, permanent or temporary address of the

natural person, or, if lodged by a legal person, the trading name and registered office address of such legal person, its registration number, and mailing address if different from its registered office address, signature of the applicant or authorised officer of the applicant, and stamp, in the event the applicant chooses to use a stamp in its operations.

[3] Any documents accompanying an application must be originals, certified duplicates, or certified photocopies within the meaning of legislation governing the certification of signatures, manuscripts, and duplicates, whilst any documents in a foreign language must be accompanied by a translation into the Serbian language done by a duly authorised court translator, unless otherwise provided for by these Operating Rules.

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[4] Any documents accompanying an application for data, extracts, reports, certificates and the like can be accompanied by copies of the required documents.

[5] Any application or document in an electronic format shall be deemed equivalent to an original or a digitalised copy provided that it meets the requirements of legislation governing electronic documents, electronic identification and trust services in electronic transactions.

[6] Notwithstanding Paragraphs [3] and [5] of this Section, a CSD member may certify a photocopy or digitalised copy of a document by having one of its directors, brokers, investment advisors, or portfolio managers sign such photocopy or use a qualified electronic signature to sign such digitalised copy and by affixing the appropriate stamp to such photocopy, where the CSD member chooses to use a stamp in its operations, in which case the CSD member shall be required to retain the document whose authenticity it has certified pursuant to the relevant legislation.

[7] A physical printed copy of an original electronic document may be used provided it meets the requirements of the legislation referred to in Paragraph [5] of this Section.

[8] A foreign public document must be legalised pursuant to legislation governing the legalisation of documents in international transactions, or furnished with an apostille where such document is made in a foreign state that has ratified the Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents, excepting where the state in which the document is made and the Republic of Serbia have entered into an agreement to mutually waive the requirement to legalise public documents.

4a [1] For the purpose of undertaking operations from its remit, the CSD has been designated by the legislation governing the capital market as the data controller and data processor for the following data:

- For Serbian natural persons: personal name (first and last name), gender, national identification number, temporary or permanent address, and e-mail address;
- For foreign natural persons: personal name (first and last name), gender, passport number and country of issue or foreign national registration number or foreign identity card number and state of issue, and e-mail address;
- For all natural persons: information about financial instrument accounts and cash accounts and balances of such accounts.

[2] Members of the CSD shall input personal data of their clients into the CSD database when opening financial instrument accounts and performing other transactions involving financial instruments on behalf of their clients.

[3] Personal data of CSD clients and CSD members processed by the CSD shall be restricted to only such data as are necessary for unique identification of natural persons as owners of financial instruments, creditors, representatives, and other persons, as well as to contact information of natural persons required for the delivery of information in relation to rights and obligations in connection with financial instruments.

[4] When collecting personal data of persons on whose behalf they open financial instrument accounts, CSD members shall be required to give such persons any and all information pursuant to data protection legislation, meaning to notify such persons of their options for exercising right of access to and correction and deletion of data, restriction of processing, objection, and data portability.

[5] Members of the CSD shall be required to take the appropriate technical, organisational, and staffing-related measures to ensure that their personal data processing complies with data protection legislation, following an assessment of the security risks posed to such personal data.

[6] On learning of a breach of security, integrity, confidentiality, or accessibility of personal data processed by the CSD on behalf of its clients, members of the CSD shall be required to notify the CSD thereof with the utmost urgency.

[7] Pursuant to legislation governing the capital market, the CSD shall retain documentation and data on electronic media indefinitely, meaning that personal data of natural persons entered into the CSD electronic database shall also be retained indefinitely.

[8] Natural persons to which personal data pertain may contact the CSD and CSD members so as to exercise their rights under data protection legislation.

[9] Where a natural person is a representative, agent, holder of power of attorney, or beneficial owner of a legal person that is a client of the CSD, within the meaning of the anti-money laundering and counter terrorist financing law, the CSD shall also be designated as the data controller and data processor for both the data referred to in Paragraph [1] of this Section and other personal data within the meaning of this legislation.

[10] The CSD shall retain the personal data of any natural person referred to in Paragraph [9] of this Section for ten years following the end of its business relationship with the client, which shall be deemed to be the date of execution of the last transaction in which the client was a participant or an intermediary.

4b. [1] For the purpose of undertaking operations from its remit, the CSD shall maintain a record of the following data on legal persons:

- For Serbian legal persons: trading name, registered office address, mailing address if different from registered office address, e-mail address, registration number, and taxpayer identification number (TIN);
- For foreign legal persons: trading name, registered office address, mailing address if different from registered office address, registration number and country of registration, e-mail address, and taxpayer identification number (TIN) if applicable and if such foreign legal person provides this information.

[2] The registered office address of a Serbian legal person shall comprise city, municipality, populated place, street name or square, house number, floor, and unit number.

[3] The data referred to in Items [1] and [2] shall be input by CSD members into the CSD database when opening financial instrument accounts and undertaking other transactions involving financial instruments on behalf of their clients, whereas the CSD shall input these data into its database when entering into and pursuing a business relationship with a customer, within the meaning of the anti-money laundering and counter terrorist financing law.

4v. [1] For the purpose of undertaking operations from its remit, the CSD shall maintain a record of data on sole traders identical to that referred to in Section 4a Paragraph [1] of these Operating Rules.

[2] The data referred to in Paragraph [1] shall be input by CSD members into the CSD database when opening financial instrument accounts and undertaking other transactions involving financial instruments on behalf of their clients.

4g. [1] In addition to the data referred to in Sections 4a to 4v, the CSD shall also process and register any changes to or deletion of data.

## **II. MEMBERSHIP IN THE CSD**

5. Membership in the CSD shall be open to the Republic of Serbia; National Bank of Serbia; investment firms; credit institutions; market operators; regulated markets and fund management companies registered in the Republic of Serbia; foreign legal entities that engage in the clearing and settlement or registration of financial instruments, as well as any other entities that meet membership criteria envisaged under byelaws of the CSD.

5a. [Deleted]

### **Application and Requirements for Membership**

6. [1] An entity wishing to become a member of the CSD shall be required to submit a written application for membership and assignment of one or multiple depositary codes.

[2] The application form is published on the website of the CSD.

[3] The following supporting documentation shall accompany the application referred to in Paragraph [1] of this Section:

- 1) Extract from registration with the Business Register, not older than six months;
- 2) Operating licence;
- 3) Statute and Articles of association of the entity;
- 4) Certificate of assignment of taxpayer identification number issued by the Tax Administration;
- 5) Information on dedicated cash accounts to be used for incoming and outgoing dinar payments arising from the clearing and settlement of transactions involving financial instruments and other operations involving financial instruments, or, for banks applying for membership, information on the clearing account of the bank with the National Bank of Serbia;
- 6) Information on the foreign exchange account opened by the applicant with a commercial bank to be used in connection with clearing and settlement of transactions involving financial instruments denominated in foreign exchange;

- 7) Declaration by the applicant attesting to its compliance with technical requirements for electronic communication (data exchange) pursuant to instructions published on the website of the CSD;
- 8) Specimen signature card for authorised officers of the applicant;
- 9) Proof of payment of accession fee;
- 10) Any and all documentation as may be required by the CSD to meet its anti-money laundering and counter terrorist financing obligations (where a list of the basic documentation shall be published on the CSD website);
- 11) Contact information for the anti-money laundering and counter terrorist financing officer of the applicant.

[4] The Republic of Serbia and the National Bank of Serbia shall not submit the documentation under Paragraph [3] items 1) to 4) and 11) of this Section.

### **Consideration of Application for Membership and Decision on Admission**

6a. Having evaluated the documents submitted to assess whether the applicant meets the criteria for membership and having undertaken customer due diligence actions and other anti-money laundering and counter terrorist financing actions, the Admission Committee, appointed by a decision of the Director of the CSD, shall prepare a report on the applicant's compliance with criteria for membership and shall direct the applicant to:

- 1) Pay the sum of 40,000 euros in foreign exchange into the Guarantee Fund pursuant to payment instructions published by the CSD on the CSD website, and
- 2) Provide five blank promissory notes, with draft authorisation, as security for timely settlement of financial instruments and cash arising from completed transactions.

6b. [1] Within 30 days of receiving an application for membership, the CSD shall pass decision to rule on whether to admit the applicant to the CSD.

[2] The CSD shall reject an application for membership where the applicant meets the admission criteria envisaged by legislation governing the capital market and these Operating Rules but the CSD is unable to undertake actions required by the anti-money laundering and counter terrorist financing law.

### **Membership Agreement**

6v. [1] Following the adoption of the decision admitting the applicant to the CSD, the CSD and the acceding member shall enter into a Membership Agreement that shall regulate their mutual rights and obligations in detail.

[2] Upon signing the Membership Agreement, the CSD member shall be required to provide to the CSD blank signed promissory notes, in the quantity determined in the Membership Agreement, with draft authorisation allowing the CSD to complete and draw them where necessary for collection of outstanding fees for the use of services of the CSD.

[3] The CSD shall notify the Securities Commission of the admission of the new member and shall also notify the market operator thereof in the event that the new member is an investment firm.

## **Training of Members' Employees in Use of CSD Web Application**

6g. [1] Members of the CSD shall apply with the CSD for training of staff employed by the members in the use of the CSD client-side web application.

[2] Following the successful completion of such training, the CSD shall issue a certificate attesting to the completion of basic training in the use of the CSD client-side web application to the employee of the CSD member.

## **Member Access to CSD Information System**

6d. [1] Members of the CSD shall exercise their right to access and use the CSD information system pursuant to Section 139 of these Operating Rules.

## **Obligations of CSD Members**

6dj. [1] In their interactions with the CSD, members shall be required to abide by their rights and obligations as set out by legislation, approvals of the Securities Commission and the National Bank of Serbia, and stipulated in the Membership Agreement.

[2] Members shall fully and irrevocably accept these Operating Rules, the Tariff Rate Rules, and other corporate byelaws governing the operation of the CSD.

[3] Members shall be required to notify the CSD promptly of any changes to their status or circumstances that may affect their position as members or their ability to discharge the obligations of membership.

6e. [1] Members of the CSD shall be required to discharge their financial obligations with the CSD promptly.

[2] Members of the CSD shall ensure that their accounts, and their clients' financial instruments accounts maintained with the CSD, contain sufficient financial instruments and/or cash for the purposes of clearing and settlement.

[3] CSD members shall be required to transfer any cash arising from the clearing and settlement of financial instruments, as well as from corporate actions, which is remitted by the CSD into the accounts of CSD members, immediately, or at the latest on the following working day, shall be transferred into the accounts of the lawful holders of financial instruments, and shall be required to assess, withhold, and pay into the appropriate public revenue account any capital income tax due on interest accruing from the date of acquisition to the date of disposal or redemption of a debt security.

[4] Members of the CSD shall be required to replace any promissory note that has been drawn on any grounds by a new blank, certified, signed, and authorised promissory note.

6ž. [1] Members of the CSD shall be held accountable for any documents and data they submit to the CSD.

[2] Data submitted by CSD members to the CSD shall be deemed to be correct, truthful, and accurate.

[3] A photocopy or digitalised copy of a document submitted by a CSD member shall be deemed to have been made under the control of the person referred to in Section 4 Paragraph [6] of these Operating Rules and to constitute an authentic representation of the original document or certified duplicate or certified photocopy of such document within the meaning of the legislation governing the certification of signatures, manuscripts, and duplicates.

[4] The CSD shall not be liable for any damage caused by a member to other CSD members, issuers, holders of financial instruments, or third parties owing to the inaccuracy of any data or inauthenticity of any documents submitted.

[5] Neither the CSD nor members of the CSD shall be liable for any damage caused to other CSD members, issuers, holders of financial instruments, or third parties through an act of God or owing to an enactment by another competent authority.

[6] Members of the CSD shall be required to hold orders issued by clients and other documents in connection with transactions involving the CSD for safekeeping as prescribed by legislation.

6z. [1] Members of the CSD may submit applications and documentation for action by the CSD either in person or by post.

[2] Members' applications may also be submitted by e-mail to the registered address of the CSD ([office@crhov.rs](mailto:office@crhov.rs)) provided they are accompanied by the appropriate documentation prescribed by these Operating Rules and comply with the requirements of legislation governing electronic documents and electronic identification.

[3] Members' applications for:

- 1) Notification of an invitation to a General Meeting;
- 2) Issuance of single shareholder record;
- 3) Opening of deposited securities accounts and deposit accounts;
- 4) Alteration of data in proof-of-transaction documents and messages;
- 5) Shortening of settlement cycles;
- 6) Publication of notifications on the CSD website;
- 7) Input of OTC transaction clearing and settlement orders following the clearing and settlement window, or at the latest by 4.30 pm;

shall be submitted to the CSD by e-mail at [ezahtevi@crhov.rs](mailto:ezahtevi@crhov.rs) and must be accompanied by the appropriate documents as envisaged by these Operating Rules and proof of payment of CSD fee.

[4] Members shall be required to use information obtained from the CSD exclusively in accordance with legislation, other regulations, and agreements entered into with clients, and may not share it with third parties.

[5] Members shall be obligated to notify the CSD of any issues that may arise in accessing the CSD information and communication system.



[6] Members shall be required to update identification and other information concerning holders of financial instrument accounts and their representatives.

[7] Members shall be required to confirm receipt of electronic messages for clients' financial instrument and cash accounts pursuant to the CSD Term Schedule Rulebook.

[8] The CSD shall enact a specific regulation to prescribe the format and structure of electronic messages it transmits by means of its client-side web application. Page | 9

### **Obligations of the CSD**

6i. The CSD shall:

- 1) Maintain a register of financial instruments and manage balances in financial instrument accounts of CSD members and their clients;
- 2) Permit members to open financial instrument accounts and client accounts and manage balances in such accounts;
- 3) Open clearing cash accounts used by the CSD to manage members' cash balances;
- 4) Open and maintain issuing accounts of issuers of financial instruments;
- 5) Calculate members' aggregate accounts payable and receivable arising from transactions involving financial instruments;
- 6) Clear and settle accounts payable and receivable in financial instruments and cash arising from transactions entered into involving financial instruments;
- 7) Transfer financial instruments as instructed by members;
- 8) Make available for review balances of financial instrument accounts of members and their clients, and balances of members' cash clearing accounts;
- 9) Provide support to members for use of the CSD information and communication system;
- 10) Produce identification smart cards for use by members in accessing and using the CSD information system, in accordance with members' access privileges;
- 11) Provide other services regarding financial instruments, as stipulated by legislation and regulations.

### **Rights and Obligations of Different Types of Members**

6j. [1] Each CSD member that is a credit institution may:

- 1) Open financial instrument accounts in the CSD information system on its own behalf;
- 2) Manage financial instrument accounts on its own behalf (which entails performing operations involving access to financial instrument balances, account overviews, account and financial instrument status, and the like.);
- 3) Issue orders to transfer title to financial instruments issued by the Republic of Serbia or the National Bank of Serbia, on its own behalf;
- 4) Collect cash on its own behalf as a result of sale and purchase transactions involving financial instruments, dividends, compulsory redemption, and the like;
- 5) Collect cash on its own behalf as a result of the maturity of coupons, annuities, and principals of debt securities;

- 6) Perform other duties and activities in connection with financial instruments, as stipulated by legislation.

6k. In addition to undertaking the duties and activities referred to in Section 6j of these Operating Rules, a CSD member that is an investment firm (a credit institution authorised by the Securities Commission to operate as an investment firm or broker-dealer company) may also: Page | 10

- 1) Open financial instrument accounts in the CSD information system on behalf of its clients;
- 2) Manage financial instrument accounts on behalf of clients (which entails performing operations involving client data, changes to clients' personal information, financial instrument balance queries on behalf of clients, account overviews, account and financial instrument status, notification of clients of balances in their accounts, and the like);
- 3) Issue orders for settlement of sale and purchase transactions and transfer of title to all financial instruments pursuant to instructions received from clients;
- 4) Issue orders to open issue accounts of issuers and provide services to its issuer clients in connection with issues of financial instruments;
- 5) Issue orders to the CSD, pursuant to orders of issuers, for payment of dividends, coupons, and principal amounts of debt securities, as well as for other corporate actions;
- 6) Collect cash on behalf of clients as a result of sale and purchase transactions involving financial instruments, dividends, compulsory redemption, and the like;
- 7) Collect cash on behalf of clients as a result of the maturity of coupons, annuities, and principal amounts of debt securities;
- 8) Perform other duties and activities in connection with financial instruments, as stipulated by legislation.

6l. In addition to undertaking the duties and activities referred to in Section 6j of these Operating Rules, a CSD member that is a custody bank operating pursuant to legislation governing voluntary pension funds and pension plans ('custody bank') or a bank authorised by the Securities Commission to operate as a depository pursuant to legislation governing investment funds ('depository bank') may also:

- 1) Open and manage custody accounts;
- 2) Perform other duties and activities in connection with financial instruments, as stipulated by legislation.

### **Agent**

6lj. [1] For the purposes of these Operating Rules, 'agent' may be a corporate agent, issue agent, or underwriter.

[2] 'Corporate agent' is an investment firm that is a CSD member which manages the issue account of the issuer and has entered into an agreement with the issuer on the performance of corporate actions.

[2] 'Issue agent' is an investment firm that is a CSD member which manages the issue account of the issuer and has entered into an agreement with the issuer on the performance of all or some actions in connection with a particular issue of securities without compulsory redemption.

[3] 'Underwriter is an investment firm that is a CSD member that performs underwriting services in connection with the offering for sale or selling of financial instruments, with compulsory redemption.

[4] An issuer of shares shall be required to enter into the agreement referred to in Item [2] of this Paragraph with only one corporate agent, and may enter into agreements referred to in Item [3] of this Paragraph with one or multiple issue agents.

[5] An issuer of debt securities that is not a joint-stock company shall be required to enter into the agreement referred to in Item [3] of this Paragraph with one or multiple issue agents, whereby such contractual obligations shall remain effective until the de-registration of the issue of debt securities.

[6] An agent shall be required to provide timely notification to the CSD of any changes in connection with an issue that is the subject of an agreement with an issuer.

[7] The CSD shall substitute an agent within three working days from the receipt of a duly completed application substantiated by the following documents:

- 1) application by the CSD member designated as the new agent;
- 2) application by the issuer including notice of termination of agreement; and
- 3) agreement with the new agent.

[8] In the event the agreement between the agent and the issuer has been terminated and no agreement with a new agent has been entered into, the CSD shall, at the application of either the previous agent or the issuer, transfer the issue account of such issuer to a interim account of the CSD.

### **Rights and Obligations of Other Members**

6m. The rights and obligations of the Republic of Serbia, National Bank of Serbia, market operators, regulated markets in the Republic of Serbia, and fund management companies registered in the Republic of Serbia in connection with membership in the CSD shall be regulated by special agreement.

### **Voluntary Termination of Membership**

6n. [1] The membership in the CSD of a member of the CSD shall terminate pursuant to an application thereto made in writing by such member, provided that such member has fulfilled all of its obligations arising from the clearing and settlement of transactions entered into involving financial instruments, as well as its obligations with the CSD.

[2] The CSD member shall notify the CSD of its intention to withdraw and shall at the same time notify its clients thereof.

[3] The CSD shall publish the notice of intention to withdraw on its website.

[4] In the event referred to in Paragraph [1] of this Section, the withdrawing CSD member shall submit the following documentation:

- 1) Decision to terminate membership in the CSD made by the appropriate body of the member;
- 2) Application for transfer of financial instruments from issuing accounts of issuers and financial instrument accounts of clients maintained by the withdrawing member to issuing accounts of those issuers and financial accounts of those clients maintained by another CSD member;
- 3) Agreement on the transfer of responsibility for financial instrument accounts (issuer accounts and financial instrument accounts of clients) entered into between the withdrawing member and another CSD member;
- 4) In the event of termination of membership of a custody bank, depository bank, or member maintaining omnibus accounts of clients, declaration attesting that the transfer of financial instruments from such custody or omnibus accounts to custody or omnibus accounts maintained by another CSD member does not result in changes to title to such financial instruments, and that analytical ownership information has also been transferred;
- 5) Orders for transfer of financial instruments maintained in custody or omnibus accounts to custody or omnibus accounts to be opened by the CSD with the member assuming responsibility for those clients, on a compact disc (CD) signed by the authorised officer of the withdrawing member, in the format published through the CSD client-side web application;
- 6) List of clients that have transferred financial instruments to a selected depository due to the termination of membership, pursuant to Section 42 of these Operating Rules;
- 7) Declaration by the CSD member attesting to the accuracy of all information submitted to the CSD;
- 8) Authorisation permitting the representative of the withdrawing member to submit the application;
- 9) Smart cards hitherto used by the withdrawing member to access and use the CSD client-side web application;
- 9a) Application for revocation of special authorisation for access to the Auction Platform for all persons authorised to trade in government securities employed by the CSD member terminating operation;
- 10) Application for reimbursement of cash from the Guarantee Fund and remaining foreign exchange held by the withdrawing member, accompanied by payment instructions for the account the funds are to be reimbursed into and instructions for payment of negative or positive interest accruing on foreign exchange assets of the member held in the account of the CSD with the National Bank of Serbia (provided there is any negative or positive interest), and application for return of deposited promissory notes;

11) Application for issuance of certificate attesting that the withdrawing member has fulfilled all its obligations with the CSD.

6nj. [1] A Commission shall be appointed to oversee the submission of all information and documents required for termination of membership in the CSD.

[2] The Commission shall be composed of authorised representatives of the CSD appointed by a decision of the Director of the CSD.

[3] The Commission shall draw up a set of minutes on the submission of the information and documents, which shall be signed by all members of the Commission and one authorised representative of the withdrawing member of the CSD.

6o. [1] In connection with the termination of membership of a withdrawing member, the CSD shall be required to promptly assess the state of any and all unmet obligations with regard to the financial instruments of the withdrawing member and its clients, and to reach agreement with the withdrawing member as to how to conclude such transactions.

[2] The CSD shall transfer the financial instruments of a withdrawing member and the financial instruments of its clients (in issuer accounts and financial instrument accounts of clients) into financial instruments accounts of the same clients with other members of the CSD, pursuant to agreements entered into between the withdrawing member and other members of the CSD.

6p. [1] After the withdrawing member has met all its obligations and settled any outstanding financial liabilities with the CSD, the CSD shall pass decision on the termination of membership.

[2] Following the adoption of this decision, the CSD shall reimburse submitted promissory notes, the remaining foreign exchange and cash held in the Guarantee Fund into the cash account of the withdrawing member as notified in the instructions provided by the withdrawing member.

[3] The CSD shall notify the Securities Commission of the termination of membership.

[4] The CSD shall post a notice of the termination of membership of the withdrawing member on its website.

### **Termination of Membership due to Unilateral Repudiation of Membership Agreement by CSD**

6r. [1] The CSD shall unilaterally repudiate a membership agreement:

- 1) Where a member has had their operating licence revoked permanently;
- 2) Due to a change in the characteristics or circumstances of the member making the member permanently ineligible for membership (such as, for instance, where a member has been struck off the commercial register);
- 3) Where, when invited to do so by the CSD within a reasonable period of time, a member of the CSD has failed to submit to the CSD any and all documentation required to

comply with the anti-money laundering and counter terrorist financing law, and where the appropriate services of the CSD are not satisfied that the member complies with the anti-money laundering and counter terrorist financing law.

[2] The CSD may also unilaterally repudiate a membership agreement where a member:

- 1) Ceases to be eligible for membership in the CSD for reasons that may be remedied but fails to remedy such reasons by the time limit set in the decision to suspend membership;
- 2) Encounters financial distress or other operating issues that may reasonably be expected to affect its compliance with its financial and other obligations with the CSD or that may result in significant harm to the operation of the CSD or other members (such as, for instance, where a member is facing enforced collection actions or preliminary insolvency proceedings);
- 3) Fails to meet its financial and other obligations with the CSD or comply with the general byelaws of the CSD and fails to meet its obligations arising from the CSD membership agreement.

[3] In the event of unilateral repudiation of an agreement referred to in Paragraphs [1] and [2] of this Section, the CSD shall automatically block the operations of the member in question.

[4] Members of the CSD shall be required to submit the documents referred to in Section 6n, Paragraph [4], Items 2) to 11) of these Operating Rules.

[5] Following the submission of the required documents and information by a member subject to mandatory termination of membership, the CSD shall act pursuant to Sections 6nj to 6p of these Operating Rules.

### **Suspension of Membership**

6s. [1] The CSD may rule to suspend a member in the event of the emergence of circumstances referred to in Section 6r Paragraph 2) of these Operating Rules where the potential or actual consequences thereof do not pose a threat to the operation of the CSD or other members or the performance of their obligations.

[2] The suspension of a member shall entail temporary abeyance of particular transactions with the CSD, as envisaged by legislation, these Operating Rules, and other byelaws of the CSD.

[3] The CSD shall rule to suspend a member with reference to the nature and extent of the circumstances warranting suspension and the severity of any infringement and its impact on the operation of the CSD, other members, clients, and the broader capital market.

[4]. The decision on suspension must indicate the transactions that the suspension extends to; provisions ensuring that clients of the suspended member suffer no damage or incur any additional cost due to the suspension of the member, meaning that the suspended member may not collect fees for transferring securities from financial instrument accounts maintained by such member to financial instrument accounts maintained by other members of the CSD; and

term of the suspension, where the lifting of the suspension may also be made conditional on the persistence of the circumstances that led to the suspension.

[5] Suspended members shall remain required to pay fees to the CSD.

[6] The CSD shall notify the Securities Commission of the suspension of a member.

[7] The CSD shall post a notice of the suspension of a member on its website.

### **Change in Form of Membership**

6t. [1] Pursuant to an application thereto, and in accordance with the relevant procedural decision of the Securities Commission, the CSD shall rule to change the form of membership from credit institution to credit institution authorised by the Securities Commission to operate as an investment firm, and/or to depositary bank.

[2] Pursuant to such application, and in accordance with the relevant decision of the Securities Commission, the CSD shall adopt a decision changing the form of membership from credit institution to credit institution authorised by the Securities Commission to operate as an investment firm, or to depositary bank

[3] Following the adoption of the decision, the CSD and the member shall enter into an addendum to their agreement.

[4] Pursuant to the decision on the change in form of membership, the CSD shall permit the member to use the CSD client-side web application in accordance with Sections 6k and/or 6l of these Operating Rules.

6c. Where the membership status of a credit institution authorised by the Securities Commission to operate as an investment firm changes to that of credit institution or depositary bank, and where membership of a depositary bank changes to that of credit institution, the member in question shall submit:

- 1) Application for change in form of membership;
- 2) Decision on the cessation of activities as investment firm and/or depositary bank made by the appropriate body;
- 3) Documentation referred to in Section 6n Paragraph [4] Items 2) to 8) of these Operating Rules.

[2] Where a member opts to cease performing particular operations in connection with membership and clients, such member shall be required to lodge an application with and provide documentation to the CSD, where provisions of Paragraph 6n Item 2 and Item 4, Points 2) to 8) shall apply as appropriate.

6u. [1] The Committee shall be appointed to oversee the submission of all information and documents required for the change in form of ownership referred to in Section 6c of these Operating Rules.

[2] The Committee shall be composed of authorised representatives of the CSD appointed by a decision of the Director of the CSD.

[3] The Committee shall draw up a set of minutes on the submission of the information and documents, which shall be signed by all members of the Committee and one authorised representative of the CSD member.

[4] In connection with a change in the form of membership, the CSD shall be required to promptly assess the state of any and all unmet obligations with regard to the financial instruments of the member in question and its clients, determine how to conclude these transactions, and notify the member thereof.

[5] The CSD shall transfer financial instruments of a client (clients' financial instrument accounts and issuers' issue accounts) held by a CSD member undergoing a change in the form of membership from credit institution authorised by the Securities Commission to operate as an investment firm or depositary bank to credit institution into financial instrument accounts of the same client with a different CSD member authorised by the Securities Commission to operate as an investment firm or depositary bank pursuant to an agreement between the CSD member undergoing the change in its form of membership with such other CSD member.

6f. [1] After the financial instruments referred to in Section 6u of these Operating Rules have been transferred, the CSD shall adopt a decision on the change in form of membership.

[2] Following the adoption of this decision, the CSD and the member shall enter into an addendum to their agreement.

[3] Pursuant to the decision on the change in form of membership, the CSD shall permit the member to use the CSD client-side web application in accordance with Sections 6j and/or 6l of these Operating Rules.

6h. [1] The CSD shall notify the Securities Commission of any change in form of membership.

[2] The CSD shall publish a notice of the change in form of membership on its website.

### **Activities Devolved to Members**

6c. [1] The CSD shall oversee its members insofar as activities from the remit of the CSD that have been devolved to members by these Operating Rules are concerned.

[2] At the request of the CSD, a CSD member shall be required to promptly provide to the CSD:

- 1) Original, certified duplicate, or certified photocopy of any document referred to in Section 4 of these Operating Rules;
- 2) Original, certified duplicate, or certified photocopy of any document pursuant to which any data has been input into the CSD information system.



[3] The CSD shall enjoy unrestricted access to documents pursuant to which a member has acted when undertaking actions governed by these Operating Rules.

[4] The CSD shall promptly notify the Securities Commission and the market operator of any substantial infraction of the provisions of any legislation or of any byelaw of the Securities Commission or the CSD committed by any member of the CSD.

### **Mutual Relationship Between CSD and Members as Obligated Entities under Anti-Money Laundering and Counter Terrorist Financing Law**

6č. [1] In undertaking transactions and actions on its own behalf, in addition to the obligations set out by these Operating Rules, each member shall also be required to:

- 1) Where so requested by the CSD, submit by the time limit set by the CSD in its request any new or updated documentation required by the CSD for customer due diligence purposes, whereby the CSD shall determine the frequency of such requests and the scope of information required;
- 2) Without being specifically prompted to do so by the CSD, notify the CSD within three days of any:
  - Change to significant information, such as a change of statutory representative, registered office, or beneficial owner of a member;
  - Replacement of anti-money laundering and counter terrorist financing officer or change of contact information for such officer;
- 3) Where requested to do so by the CSD, submit without delay any responses to inquiries and any information as the CSD may need to comply with its anti-money laundering and counter terrorist financing requirements.

[2] In undertaking transactions and actions on behalf of clients, in addition to other requirements as set out in these Operating Rules, a member of the CSD shall also be required to submit without delay, where so requested by the CSD:

- 1) Responses to any inquiries and any and all documentation as the CSD may need to comply with guidelines of the Securities Commission for the assessment of money laundering and terrorism financing risk and application of the anti-money laundering and counter terrorist financing law as it pertains to the CSD;
- 2) Responses to any inquires and any and all documentation as the CSD may need to comply with its requirements as established by legislation governing restrictions on the disposal of assets with the aim of preventing terrorism and proliferation of weapons of mass destruction.

[3] Any information and documentation obtained by the CSD pursuant to Paragraphs [1] and [2] of this Section shall be held in confidence and may be used only for compliance by the CSD with the anti-money laundering and counter terrorist financing law, pursuant to which any such information may be forwarded to the Administration for the Prevention of Money Laundering and the Securities Commission.

[4] The CSD shall adopt a specific enactment as referred to in Section 2a, Paragraph [2] of these Operating Rules and/or enter into a specific agreement with member to regulate the requirements of the member related to anti-money laundering and counter terrorist financing in connection with particular financial instruments issued by the Republic of Serbia, where such financial instruments are cleared and settled by one or multiple foreign legal persons engaged pursuant to legislation governing public debt and legislation governing the capital market with which the CSD may establish a connection that permits the undertaking of such transactions.

### **III. REGISTRATION OF AN ISSUE OF FINANCIAL INSTRUMENTS**

#### **Assignment of Financial Instrument Identifiers**

7. [1] An agent shall apply with the CSD for assignment of CFI code and ISIN on behalf of the issuer.

[2] The agent shall apply for assignment of CFI code and ISIN to the CSD completed by means of the client-side web application and substantiated by the following documentation:

- 1) Corporate agency agreement entered into between the agent and issuer;
- 2) Decision on the issuance of financial instruments;
- 3) Statute and/or Articles of Incorporation of the issuer, registered pursuant to legislation governing the registration of companies;
- 4) Proof of registration of a decision on an increase in capital adopted pursuant to legislation governing the registration of companies, where the application is submitted for an issue of shares due to an increase in the capital of the issuer;
- 5) Prof of consent by the National Bank of Serbia where the financial instruments being issued are denominated in foreign exchange.

[3] The Articles of Association and Articles of Incorporation shall be submitted at the time of initial registration with the CSD. Where the Articles of Association and Articles of Incorporation have been amended, the relevant changes shall be notified at the time of the first subsequent application and shall be substantiated by a decision registering the amendments with the Business Registers Agency.

[4] Where the application for assignment of CFI code and ISIN is being made for the purpose of an initial public offering, it shall not be mandatory to submit a decision on the issue of shares.

[5] Where financial instruments are issued by the Republic of Serbia, National Bank of Serbia, or a local authority, the CSD shall assign the CFI code pursuant to an application by the issuer and the relevant decision on the issue of financial instruments.

[6] Pursuant to an application for the assignment of CFI code and ISIN, the CSD shall assign the CFI code as envisaged under the List of Codes denoting types of securities and other financial instruments ('the Code List'), and the ISIN, and shall issue a certificate of assignment of CFI code and the ISIN within three working days of receiving a duly submitted application.

[7] The CSD shall assign a single ISIN to all financial instruments of an issuer that confer the same rights on a lawful holder and that share the same characteristics pursuant to the Code List.

[8] The CSD shall assign an existing ISIN to shares of an issuer that share the same characteristics with shares previously registered with the CSD (a procedure referred to as ‘assimilation’).

[9] Within one year of the issuance of the certificate of assignment of CFI code and ISIN, the issuer shall be required to apply, through a CSD member, for registration of the issue and registration of financial instruments in the issue account of the issuer maintained with a corporate agent and in financial instrument accounts of lawful holders. Page | 19

[10] In the event that the issuer fails to comply with the requirement of Paragraph [9] of this Section, the certificate of assignment of CFI code and ISIN shall be rendered ineffective.

### **Registration of Financial Instruments in Issue Accounts of Issuers**

7a. [1] Following the assignment of a CFI code and ISIN, the agent shall input the application for registration of the issue by means of the CSD client-side web application and shall submit it to the CSD in writing accompanied by the requisite supporting documentation.

[2] The application referred to in Paragraph [1] shall be substantiated by a declaration of the face value of the financial instruments rounded to the first two decimal places, and a declaration of the book value of the shares rounded to the first six decimal places.

[3] Where debt financial instruments are issued, the application for registration of the issue in the issue account of the issuer shall be accompanied by the entry of the registration of the maturity and repayment schedule by means of the CSD client-side web application and its submission to the CSD in writing.

[4] In the event of amendment of the original decision to issue financial instruments used to substantiate the application for assignment of CFI code and ISIN, the amended decision shall be submitted to the CSD as part of the updated documentation.

[5] Pursuant to a duly submitted application accompanied by the requisite supporting documentation as envisaged under Sections 7b to 19g of these Operating Rules, the CSD shall register the issue in the issue account of the issuer and shall assign the securities a uniform Financial Instrument Short Name (FISN) within two working days of receiving a duly submitted application.

7b. [1] The CSD shall register shares in the issue account of a business incorporated or registered with the Business Registers Agency as a joint-stock company, as envisaged by legislation governing companies, pursuant to the following documentation:

- 1) Application submitted by the issuer via an agent;
- 2) Procedural decision of the Business Registers Agency registering the joint-stock company and substantiating the authorised capital of the joint-stock company.

[2] Where a joint-stock company is to be incorporated with a non-cash capital contribution that includes securities and money market instruments, the CSD shall simultaneously transfer title to the securities and money market instruments from the founder of the joint-stock company.

8. [1] The CSD shall register securities issued by means of a cash contribution to the equity of the issuer made in full in a public offering accompanied by a prospectus, in accordance with legislation governing the capital market, in the issue account of the issuer pursuant to the following documents:

- 1) Application submitted by the issuer via an agent;
- 2) Procedural decision of the Securities Commission approving the publication of the prospectus;
- 3) Report on the outcome of the public offering with proof of submission to the Securities Commission;
- 4) Certificate of subscription and payment of securities issued by the CSD members that administered the subscription and payment of the securities in question.

9. [1] The CSD shall register securities issued by means of a cash contribution to the equity of the issuer made in full in the event there is no requirement to publish a prospectus, as envisaged by provisions of legislation governing the capital market, as well as by provisions of legislation governing companies, in the issue account of the issuer pursuant to the following documents:

- 1) Application submitted by the issuer via an agent;
- 2) Certificates of subscribed and paid up securities issued by CSD members that administered the subscription and payment for those securities;
- 3) Declaration made in writing by the statutory representative of the issuer attesting to the successful completion of the issue;
- 4) Declaration made in writing by the statutory representative of the issuer attesting to compliance with the requirements of Article 298 Paragraph [1] of the Companies Law, in the event of an issue of shares;
- 5) Notice of recourse to the exemption from the requirement to publish a prospectus as envisaged by provisions of legislation governing the capital market.

[2] In the event that an issuer resolves to limit or exclude preferential subscription rights, as envisaged by legislation governing companies, the issuer shall be required to accompany an application made for registration of shares to the CSD by a decision of its General Shareholders Assembly to limit or exclude preferential subscription rights and a ruling on the registration of such decision as envisaged under registration rules.

[3] The CSD shall register the shares after the expiry of 30 days from the day of registration.

10. [1] The CSD shall register shares to increase equity by means of a non-cash contribution made in full, as envisaged by legislation governing companies, in the issue account of the issuer pursuant to the following documents:

- 1) Application submitted by the issuer via an agent;
- 2) Securities registration certificate issued by the CSD member that administered the registration of the securities;
- 3) Procedural decision of the Business Registers Agency registering a valuation of the non-cash contribution;
- 4) Declaration made in writing by the statutory representative of the issuer attesting to the non-cash contribution made;
- 5) Declaration made in writing by the statutory representative of the issuer attesting to the successful completion of the issue;
- 6) Transfer order for the securities and money market instruments in question, in the event that the non-cash contribution is comprised of securities and money market instruments.

[2] In the event that the Board of Directors, or the Supervisory Board of a two-tier entity, resolves not to value the non-cash contribution, in addition to the requisite documentation and decision the issuer shall be required to submit the following documents to the CSD:

1) Certificate issued by the Chairperson of the Board of Directors, or the Supervisory Board of a two-tier entity, which must contain the features required by Article 58 of the Companies Law;

2) Procedural decision of the Business Registers Agency registering the certificate issued by the Chairperson of the Board of Directors or the Supervisory Board.

[3] In the event that the issuer resolves to limit or exclude preferential subscription rights, provisions of Section 9 Paragraphs [2] and [3] of these Operating Rules shall apply.

11. In the event of an increase in the capital of a joint-stock company from net assets of the company, the CSD shall register shares in the issue account of the issuer or amend the face value of such shares, or their book value in the event that the shares hold no face value, pursuant to companies legislation and provisions of legislation governing the capital market in the event there is no requirement to publish a prospectus, pursuant to the following documents:

1) Application submitted by the issuer via an agent within five days of the registration of the decision to increase capital;

2) Declaration by the attesting to compliance with the requirements for an increase in capital as envisaged by Articles 305 and 306 of the Companies Law;

3) Notice of recourse to the exemption from the requirement to publish a prospectus as envisaged by provisions of legislation governing the capital market.

12. [1] In the event of an increase in capital due to a debt-to-equity swap of a non-public entity, as well as in the event that a debt-to-equity swap results in the issue of securities by the Republic of Serbia, autonomous province, or local authority, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

1) Application submitted by the issuer via an agent;

2) Certificate of share registration issued by the CSD member that administered the registration of the shares in question pursuant to a registration slip and conversion agreement.

[2] In the event that the issuer resolves to limit or exclude preferential subscription rights, provisions of Section 9 Paragraphs [2] and [3] of these Operating Rules shall apply.

13. [1] In the event of registration of shares not paid up or partly paid up, resulting in a shareholder not completely fulfilling its requirement to pay in or make an equity contribution, the CSD shall register the shares in the issue account of the issuer pursuant to a certificate of shares subscribed and not paid up or subscribed and partly paid up issued by the CSD member that administered the subscription and payment.

[2] After a contribution for previously issued and registered shares is paid up or made in kind, the CSD shall amend the existing CFI code and ISIN as envisaged in Section 25a of these Operating Rules pursuant to the following documents:

1) Application submitted by the issuer via an agent;

2) Certificate attesting to the shares having been paid up issued by the CSD member that administered the payment for the shares;

3) Declaration made in writing by the statutory representative of the issuer attesting to the non-cash contribution having been made;

4) List of persons provided in compliance with Article 22 of these Operating Rules.

14. The registration procedure for preferred shares, convertible bonds, and warrants in the CSD shall follow Sections 8 or 9 of these Operating Rules, as applicable.

15. In the event of registration of shares pursuant to a decision on a conditional increase in capital to allow holders of convertible bonds to convert them into shares in the company, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

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- 1) Application submitted by the issuer via an agent;
- 2) Declaration made in writing by the issuer attesting to the fact that holders of convertible bonds having submitted declarations in writing on the conversion of convertible bonds into shares and that Article 303 Paragraph [4] of the Companies Law was complied with;
- 3) Application for the annulment of the convertible bonds.

16. In the event of registration of shares pursuant to a decision on a conditional increase in capital to allow holders of warrants to purchase shares in the company, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

- 1) Application submitted by the issuer via an agent;
- 2) Certificate attesting to the shares having been paid up issued by the CSD member that administered the payment for the shares;
- 3) Application for the annulment of the warrants.

17. In the event of registration of shares pursuant to a decision on a conditional increase in capital to allow employees, Directors, and members of the Supervisory Board of the company or their connected persons to purchase shares, as envisaged by companies legislation and provisions of legislation governing the capital market in the event there is no requirement to publish a prospectus, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

- 1) Application submitted by the issuer via an agent;
- 2) Certificate attesting to the shares having been paid up issued by the CSD member that administered the payment for the shares;
- 3) Notice of recourse to the exemption from the requirement to publish a prospectus as envisaged by provisions of legislation governing the capital market.

18. [1] The CSD shall register shares issued in substitution for previously issued shares in the event that the issue of such new shares does not envisage an increase in the authorised capital of the company, pursuant to provisions of legislation governing the capital market in the event there is no requirement to publish a prospectus, in the issue account of the issuer pursuant to the following documents:

- 1) Application for replacement of shares submitted by the issuer via an agent;
- 2) Decision on the substitution of shares;

- 3) Notice of recourse to the exemption from the requirement to publish a prospectus as envisaged by provisions of legislation governing the capital market.

[2] Shares shall also be substituted for previously issued shares in the event that the face value of shares is substituted by their book value, and vice versa.

[3] In the event of a stock divide or stock merge not resulting in a change in the authorised capital of the company, as envisaged under legislation governing companies, the CSD shall register shares in the issue account of the issuer or alter the face value of such shares or the book value of such shares where the shares hold no face value, pursuant to the following documents:

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- 1) Application submitted by the issuer via an agent;
- 2) Decision of the General Shareholders Assembly to affect a stock divide accompanied by a reduction in the face or book value of its shares, or decision of the General Shareholders Assembly to affect a stock merge accompanied by an increase in the face or book value of its shares;
- 3) Notice of recourse to the exemption from the requirement to publish a prospectus as envisaged by provisions of legislation governing the capital market.

[4] In the event that a stock divide or stock merge results in an increase or decrease in authorised capital not exceeding one percent of the authorised capital, the CSD shall also register shares resulting from the increase in authorised capital, or annul shares resulting from the decrease in authorised capital, pursuant to the decision of the General Shareholders Assembly to affect a stock divide or stock merge.

19. In the event of the registration of shares pursuant to a plan of reorganisation that has been duly adopted as envisaged under insolvency legislation, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

- 1) Application submitted by the issuer via an agent;
- 2) Duly adopted plan of reorganisation;
- 3) Final court ruling adopting the plan of reorganisation and suspending insolvency proceedings;
- 4) Proof of the plan of reorganisation having been published by the Business Registers Agency;
- 5) Agreement on the conversion of claims or a conclusion of the Government of the Republic of Serbia determining the conversion of claims into the capital of the company, in the event of the registration of securities on behalf of the Republic of Serbia, autonomous province, or local authority.

19a. Where the financial instruments in question are issued by the Republic of Serbia, the National Bank of Serbia, or a local authority, the CSD shall register the financial instruments in the issue account of the issuer pursuant to an application to that effect made by the issuer.

19b. Shares issued pursuant to legislation governing privatisation and legislation governing the rights of members of the public to shares distributed free of charge and remuneration in privatisation procedures shall be registered in the CSD by being registered in the issue account of the issuer and transferred into accounts of lawful holders of securities as envisaged by

Section 24 of these Operating Rules and pursuant to procedural decisions of the Privatisation Agency or the appropriate Ministry and lists of lawful holders provided by the Privatisation Agency or the appropriate Ministry upon an application filed by the issuer via an agent.

19v. [1] In the event that shares are issued to increase capital for the purpose of meeting obligations arising from an agreement on the sale of socially-owned capital, the CSD shall register the shares in the issue account of the issuer pursuant to the following documents:

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- 1) Application submitted by the issuer;
- 2) Payment certificate issued by a bank, where payment is made in cash;
- 3) Procedural decision of the Business Registers Agency registering the valuation of the non-cash contribution;
- 4) Declaration made in writing by the statutory representative of the issuer attesting to the non-cash contribution made;
- 5) Certificate of subscribed shares issued by the CSD member that administered the subscription;
- 6) Enactment of the Privatisation Agency or competent Ministry approving payment of obligations under an agreement on the sale of socially- or state-owned capital in privatisation.

[2] In the event that a capital increase of a joint-stock company takes place under an agreement on the sale of socially-owned capital, the CSD shall, pursuant to a procedural decision of the Privatisation Agency or competent Ministry, register own shares of the joint-stock company in the securities account of the company.

[3] Upon the execution of the agreement on the sale of socially-owned capital, the CSD shall, pursuant to a procedural decision of the Privatisation Agency or the competent Ministry, transfer the shares from the securities account of the issuer into the securities account of the purchaser.

19g. The CSD shall register issues of shares under the Law on Assets Owned by the Republic of Serbia into the issue account of the issuer pursuant to the following documents:

- 1) Application submitted by the issuer;
- 2) Decision on the issue of shares;
- 3) Amendments to the Articles of Incorporation of the issuer;
- 4) Agreement between the Republic of Serbia and the Issuer;
- 5) Conclusion of the Government of the Republic of Serbia;
- 6) Procedural decision of the Business Registers Agency or competent Ministry on paid-in capital.

### **Transfer of Financial Instruments from Issue Accounts into Financial Instrument Accounts of Lawful Holders**

20. [1] An issuer shall apply for the transfer of financial instruments into accounts of lawful holder, via an agent, within five working days of the end of the public offering or within five working days of the expiry of the period for subscription and payment, or of the assignment of financial instruments.

[2] The application referred to in Paragraph [1] of this Section shall be accompanied by a schedule of persons who have subscribed and paid up, or been allotted, financial instruments ('Schedule of Persons').



[3] The Schedule of Persons shall not be provided in the event of a subscription of shares that does not involve a change in the number of shares held by lawful holders.

[4] Within two working days of the receipt of a duly submitted application, the CSD shall transfer financial instruments into accounts of lawful holders.

21. [1] The Schedule of Persons shall be submitted by a commission comprised of three representatives of the CSD ('commission members') and one representative of the agent providing the Schedule of Persons.

[2] The issuer shall be held liable for the accuracy of information indicated in the Schedule of Persons.

[3] Representatives of the CSD on the commission shall be appointed by the Director of the CSD.

22. [1] The agent shall accompany an application for transfer of financial instruments into accounts of lawful holders by the following documents, which shall be handed over by a commission:

- 1) Authorisation for the representative acting as member of the commission;
- 2) Schedule of Persons certified by an authorised officer of the issuer;
- 3) Schedule of Persons submitted electronically, on a CD, in the format prescribed by the CSD, whereby the CD must be certified by an authorised officer of the agent as envisaged under Article 4 of these Operating Rules;
- 4) Declaration by the agent attesting to the accuracy of information contained in the Schedule of Persons, made under full civil and criminal liability and certified as envisaged under legislation governing the certification of signatures.
- 5) Declaration by the issuer attesting to the accuracy of information contained in the Schedule of Persons, made under full civil and criminal liability and certified as envisaged under legislation governing the certification of signatures.

[2] In the event that shares are subscribed in the procedure for the change of form of incorporation, status, substitution of shares, stock divide, or stock merge, the issuer shall be required to submit, in addition to these documents and data, information required for the registration of third-party title to shares the member of the company is to acquire by way of substitution (CFI code and ISIN; number of shares; registration number of pledgor, registration number of pledgee; statutory grounds for lien) submitted electronically (on a CD), and in a format prescribed by the CSD, where the CD must be certified by an authorised person of the CSD member as envisaged under Article 4 of these Operating Rules.

23. [1] Commission members shall verify the information provided in electronic form on the CD and shall print out the contents of the CD.

[2] The agent shall verify the printout and shall certify each page thereof, which will serve to confirm that the contents of the CD and the Schedule of Persons are identical.

[3] Upon completing the submission of the Schedule of Persons, commission members shall draw up a set of minutes of the submission and shall note therein that the information in both

electronic and printed format is identical. The minutes shall be printed out in two identical copies.

[4] The submission shall be deemed accomplished after the minutes have been signed by all commission members.

23a. [1] In the event that financial instruments are transferred into accounts of lawful holders simultaneously with transfer of funds on a Delivery versus Payment (DvP) basis, the CSD shall generate electronic messages and transmit these to CSD members maintaining financial instruments and cash accounts of the lawful holders and issuers that are parties to the transaction.

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[2] CSD members shall confirm receipt of these messages, and the CSD shall clear and settle the transaction on a DvP basis, as provided for in the CSD Term Schedule Rulebook.

[3] Where financial instruments are transferred to the accounts of lawful holders on a DvP basis, registration of financial instruments in the issuing account of the issuer shall not require members that managed the collection of payment for such financial instruments to provide proof of payment for such financial instruments.

24. [1] Shares issued in the privatisation procedure shall be registered in the CSD by being registered in the issue account of the issuer and transferred into the accounts of lawful holders, pursuant to a schedule of lawful holders provided by the Privatisation Agency or competent Ministry and the agent.

[2] The schedule of lawful holders of shares supplied by the agent shall be submitted by a commission as envisaged under Section 21 and 22 of these Operating Rules, and the declaration by the agent and the issuer affirming the accuracy of information need not be certified.

[3] The schedule of lawful holders provided by the Privatisation Agency or competent Ministry shall be submitted by a commission in the presence of commission members and representatives of the Privatisation Agency or competent Ministry. The Privatisation Agency or competent Ministry shall be held liable for the accuracy of information contained in the schedule of lawful holders of shares.

[4] The schedule of lawful holders of shares provided by the Privatisation Agency or competent Ministry shall be submitted electronically (on a CD), in the appropriate format, where the CD must be certified by an authorised officer of the Privatisation Agency or competent Ministry as envisaged under Article 4 of these Operating Rules. The following documents shall be required to accompany the schedule of lawful holders of shares:

- 1) Statement of an authorised officer of the Privatisation Agency or appropriate Ministry regarding the completion of the privatisation procedure in compliance with legislation governing privatisation;
- 2) Certified document providing information contained in the schedule of lawful holders of shares in a physical format.

[5] Shares issued by issuers whose shareholder information is recorded in the database provided by the Privatisation Agency to the CSD on 12 January 2004 and detailing data as of 31 December 2003 shall be registered pursuant to a schedule of lawful holders of shares issued by the issuer submitted through an agent, whereby no submission by Commission referred to in Sections 21 and 22 of these Operating Rules shall be carried out.

25. [1] Following the transfer of shares into accounts of lawful holders, the CSD shall, at the latest on the following working day, notify the Securities Commission and the agent of the registration of financial instruments, and shall also notify the regulated market or MTF in the event the issuer is a public company.

[2] The CSD shall publish a notice of the registration of financial instruments on its website.

### **Change to CFI Code after Issue**

25a. [1] A corporate agent member of the CSD shall apply in writing to the CSD for change to the CFI code, completed by means of the CSD client-side web application, including the following supporting documentation:

- 1) Application of the issuer;
- 2) Corporate agency agreement;
- 3) Enactment of the issuer changing the characteristics of the financial instruments issued.

[2] Pursuant to such application, the CSD shall assign a new CFI code, leaving the ISIN unaffected, and shall issue a certificate of the assignment of CFI code and ISIN.

[3] Following the assignment of the CFI code and ISIN, the member of the CSD shall input the application for registration of the issue by means of the CSD client-side web application and shall submit it to the CSD in writing.

[4] Pursuant to a duly filed application, the CSD shall register the issue with the changed CFI code and shall assign an appropriate FISN.

### **Change to FISN after Issue due to Change in Name of Issuer**

25b. [1] A corporate agent member of the CSD shall apply in writing to the CSD for a change in the name of the issuer or other information, and shall include the following documents:

- 1) Application of the issuer;
- 2) Corporate agency agreement;
- 3) Decision of the Business Register or other appropriate document issued by a competent authority.

[2] Pursuant to a duly filed application, the CSD shall change the name of the issuer or other information and shall assign a new FISN.

### **Recording of Information on Public and Non-Public Joint-Stock Company**

25v. [1] The CSD shall record a joint-stock company as public as envisaged in the Law on the Capital Market.

[2] Acting in compliance with a procedural decision or other enactment of the Securities Commission on deletion of a company from the register of public companies, the CSD shall record such company as a non-public joint-stock company.

## IV. DE-REGISTRATION OF FINANCIAL INSTRUMENTS

26. [1] The CSD shall de-register previously issued financial instruments in the following cases:

- 1) Upon the maturity of debt financial instruments;
- 2) Where debt financial instruments are repurchased before maturity;
- 3) Where the issuer is wound up through liquidation or bankruptcy;
- 4) Where the form of incorporation of the issuing joint-stock company changes, and
- 5) Where the issuing joint-stock company undergoes a change in its legal status.

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[2] Financial instruments shall be de-registered upon their maturity or upon being repurchased before maturity after all liabilities arising from such financial instruments have been settled, at the application of the issuer.

26a. The CSD shall de-register financial instruments pursuant to a final ruling of the appropriate court concluding bankruptcy proceedings, or pursuant to information of the Business Registers Agency substantiating deletion of the issuer from its register due to conclusion of bankruptcy proceedings.

26b. [1] Where an issuer has been wound up through liquidation, financial instruments shall be de-registered pursuant to a procedural decision of the Business Registers Agency striking off the issuer from its register following liquidation.

[2] Following the registration of the decision on liquidation and publication of the advertisement on initiation of liquidation at the Business Registers Agency, the issuer shall be required to apply with the CSD, through a member of the CSD acting as corporate agent of the issuer, for de-registration of financial instruments.

[3] Pursuant to the application, the CSD shall record and make public the fact that the issuer has initiated procedure for de-registering financial instruments due to liquidation and shall issue a certificate attesting to the application of the issuer to de-register financial instruments.

[4] The CSD shall de-register financial instruments pursuant to the procedural decision of the Business Registers Agency referred to in Paragraph [1] of this Section as provided by the issuer through a member of the CSD acting as corporate agent of the issuer.

[5] In the event that an issuer does not provide the procedural decision of the Business Registers Agency referred to in Paragraph [1] of this Section through a member of the CSD acting as corporate agent of the issuer, the CSD shall de-register financial instruments pursuant to information of the Business Registers Agency.

26v. [1] In the event of a change to the form of incorporation of the issuing joint-stock company, the shares in question shall be de-registered pursuant to a procedural decision of the Business Registers Agency on the change to the form of incorporation of the joint-stock company.

[2] Following the publication of the draft decision on change to the form of incorporation at the Business Registers Agency, the issuer shall be required to apply with the CSD, through a member of the CSD acting as corporate agent of the issuer, for de-registration of shares.

[3] Pursuant to the application, the CSD shall record and make public the fact that the issuer has initiated procedure for de-registering shares due to change to its form of incorporation and shall issue a certificate attesting to the application of the issuer to de-register shares.

[4] The CSD shall de-register shares pursuant to a procedural decision of the Business Registers Agency on change to the form of incorporation as provided by the issuer through a member of the CSD acting as corporate agent of the issuer.

[5] In the event that the issuer does not provide the procedural decision of the Business Registers Agency through a member of the CSD acting as corporate agent of the issuer, the CSD shall de-register shares pursuant to information of the Business Registers Agency.

26g. [1] Shares shall be de-registered due to a change in the legal status of the issuing joint-stock company pursuant to a decision of the Business Registers Agency on striking off the joint-stock company from its register.

[2] Following the publication of the draft agreement on change in the legal status or draft distribution plan at the Business Registers Agency, the issuer shall be required to apply with the CSD, through a CSD member acting as corporate agent of the issuer, for de-registration of shares.

[3] Pursuant to the application, the CSD shall record and make public the fact that the issuer has initiated procedure for de-registering shares due to change in its legal status and shall issue a certificate attesting to the application of the issuer to de-register shares.

[4] The CSD shall de-register shares pursuant to a procedural decision of the Business Registers Agency striking off the issuing company from its register due to change of status as provided by the issuer through a member of the CSD acting as corporate agent of the issuer.

[5] In the event that the issuer does not provide the procedural decision of the Business Registers Agency via a member of the CSD acting as corporate agent of the issuer, the CSD shall de-register shares pursuant to information of the Business Registers Agency.

26d. [1] In the event of compulsory liquidation, and following the expiry of a period of time set for the cessation of circumstances for compulsory liquidation, or for other reasons as envisaged under legislation governing companies, the CSD shall de-register shares pursuant to a procedural decision of the Business Registers Agency striking off the company from the Business Register, or pursuant to information of the Business Registers Agency.

[2] The CSD shall reverse the de-registration and re-register shares in the event that the Business Registers Agency annuls its procedural decision to strike off the company from the Business Register, or pursuant to information of the Business Registers Agency.

[3] A company may not register a change of information with the CSD starting from the date of publication of a notice of compulsory liquidation.

27. [1] In the event a bankruptcy debtor is sold as a going concern, where the joint-stock company in question continues to trade under its existing form of incorporation, the CSD member acting as corporate agent for the issuer shall submit the following documents to the CSD:

- 1) Application for de-registration of shares registered with the CSD;
- 2) Application for registration of newly-issued shares;
- 3) Application for assignment of CFI code and ISIN;
- 4) Copy of final ruling suspending bankruptcy proceedings;

- 5) Contract on the sale of the legal person as a going concern in bankruptcy;
- 6) [Deleted -Amendments to the Operating Rules of the CSD, 10 No. 2/-9-/76/-3 of 5 October 2022;]
- 7) Procedural decision of the Business Registers Agency on change of trading name.

[2] Pursuant to the documents submitted, the CSD shall de-register the shares of the company and assign a new CFI code and ISIN, register the issue in the issue account of the issuer, assign a FISN, and register shares in the accounts of their lawful holders, as envisaged under Sections 21 and 22 of these Operating Rules.

[3] The CSD shall register the capital stock of a joint-stock company in the amount of the purchase price set out in the sale contract for a bankrupt debtor.

[4] Where the purchase price set out in the sale contract for a bankrupt debtor is lower than the minimum capital stock pursuant to provisions of legislation governing companies, the CSD member shall apply and submit documentation as envisaged by Section 13 of these Operating Rules.

27a. [1] In the event a bankruptcy debtor is sold as a going concern, where the joint-stock company in question changes its form of incorporation, the CSD member shall submit the following documents to the CSD:

- 1) Application for de-registration of shares registered with the CSD;
- 2) changing the form of incorporation;
- 3) Final ruling suspending bankruptcy proceedings;
- 4) Contract on the sale of the legal person as a going concern in bankruptcy.

[2] Pursuant to such application, the CSD shall record and publish the information that shares of the issuer are being de-registered due to change in form of incorporation and shall issue a certificate attesting that the issuer has filed for de-registration.

[3] The CSD shall de-register shares pursuant to a procedural decision of the Business Registers Agency on change to the form of incorporation, as submitted by the issuer through a member of the CSD.

[4] Where the issuer fails to submit a procedural decision of the Business Registers Agency via a member of the CSD, the CSD shall de-register the securities in question pursuant to information held by the Business Registers Agency.

#### **IVa. CHANGE OF FORM OF INCORPORATION TO JOINT-STOCK COMPANY**

27b. [1] The corporate agent shall apply in writing to the CSD for assignment of CFI code and ISIN completed by means of the CSD client-side web application and substantiated by the following documentation:

- 1) Agreement between the corporate agent and the issuer;
- 2) Decision on change of form of incorporation;
- 3) Declaration made in writing by the Chairperson of the Board of Directors, or the Supervisory Board of a two-tier entity, attesting that all obligations of the company

with regard to the purchase of equity interests of dissenting members have been met in full or that there have been no dissenting members;

4) Articles of Association and amendments to the Articles of Incorporation of the issuer.

[2] Submission of the decision on the issue of shares for the purpose of converting equity interests into shares shall not be mandatory in the event that information on the conversion of equity interests into shares is contained in the decision on the change of form of incorporation.

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[3] The CSD shall open an issue account for the issuer and register shares in such issue account within two working days of receiving a duly submitted application thereon.

[4] Pursuant to a decision of the CSD on registration of shares in the issue account of the issuer, the issuer shall register the change to its form of incorporation with the Business Registers Agency, as envisaged under legislation governing the registration of companies.

[5] Following the registration of the change of form of incorporation with the Business Registers Agency, the CSD shall register shares into accounts of lawful holders pursuant to the decision of the Business Registers Agency registering the change to the form of incorporation of the issuer and the Articles of Association and Articles of Incorporation of the issuer, as well as documents and information on the lawful holders of shares as envisaged under Article 22 of these Operating Rules, within two working days of receiving a duly submitted application thereon.

## **IVb. CHANGE OF STATUS**

27v. Depending on the type of change to status, the CSD shall:

- 1) Register an issue of shares established as a joint-stock company (acquiring company) in the course of a change of status;
- 2) Register an issue of shares for the purpose of increasing the capital of a joint-stock company (acquiring company);
- 3) De-register shares of a joint-stock company (transferor company) pursuant to Section 26g. of these Operating Rules;
- 4) Reduce the capital of a joint-stock company (transferor company) pursuant to Section 93 or 95 of these Operating Rules;
- 5) Transfer financial instruments owned by the transferor company to the acquiring company, pursuant to Section 55 of these Operating Rules;
- 6) Register third-party interests to shares acquired by a member of the transferor company in the acquiring company in exchange for shares or equity interests in the transferor company.

27g. [1] A corporate agent shall apply in writing to the CSD for assignment of CFI code and ISIN for an issue of shares due to a change of status by means of the CSD client-side web application and accompanied by the following documents:

- 1) Agreement between the corporate agent and the issuer;
- 2) Articles of Association and Articles of Incorporation of the issuer registered pursuant to legislation governing the registration of companies;
- 3) Procedural decision of the Business Registers Agency on the subscribed capital of the newly established joint-stock company where a joint-stock company has been incorporated;

- 4) Decision on the increase in capital of the joint-stock company (acquiring company) in the event that the status change has resulted in an increase in capital;
- 5) Procedural decision of the Business Registers Agency registering the capital increase decision, in the event that the status change has resulted in a capital increase;
- 6) Agreement on change of status, or division plan enacted by the Board of Directors or the Supervisory Board of a two-tier entity;
- 7) Declaration made in writing by the Chairperson of the Board of Directors, or the Supervisory Board of a two-tier entity, attesting that all obligations of the company with regard to the purchase of equity interests of dissenting members have been met in full or that there have been no dissenting members.

[2] In the event of a simplified absorption-type merger, where the acquiring company is a controlling company holding 90 percent of the equity of the transferor company, or holding at least 90 percent of voting shares in the transferor company, the change of status shall be completed without a formal decision thereon by the transferor company, provided that requirements of Article 501 of the Companies Law have been met.

[3] Pursuant to the documents provided, the CSD shall issue a certificate of the assignment of a CFI code and ISIN within three working days of receiving a duly submitted application, as envisaged under Section 7 of these Operating Rules.

27d. [1] The CSD shall register shares in the issue account of a company established as a joint-stock company following a status change (merger, division by the formation of a new company, mixed division, separation by the formation of a new company, or mixed separation) pursuant to following documents:

- 1) Application by the issuer submitted via a corporate agent;
- 2) Approval from the National Bank of Serbia in the event of a change of status of a bank, insurance company, voluntary pension fund management company leasing firm, or payment institution;
- 3) Approval from the Securities Commission in the event of a change of status of a broker-dealer- market operator.

[2] In the event that the change of status results in a substitution of shares or equity interests in a different ratio, the documents listed above must be accompanied by a declaration made in writing by the Chairperson of the Board of Directors, or Chairperson of the Supervisory Board of a two-tier entity, attesting that the status change will result in a substitution of shares or equity interests in a different ratio, excepting for members of the transferor company exercising their entitlement to pay-out in lieu of shares.

[3] Pursuant to a duly submitted application and the requisite documents, the CSD shall open an issue account, register shares in the issue account of the issuer, and simultaneously assign a uniform FISN code to the financial instruments within the period stipulated by Section 7a of these Operating Rules.

[4] The CSD shall transfer shares into accounts of lawful holders as envisaged and within the period stipulated by Sections 20 to 23 of these Operating Rules.

27dj. [1] In the event of the registration of shares for the purpose of an increase in the capital of a joint-stock company (acquiring company) due to a change of status (merger, division by the formation of a new company, mixed division, separation by the formation of a new company, or mixed separation) as envisaged under companies legislation or as exempt from



the requirement to produce, have approved, and publish prospectuses mandated by legislation governing the capital market, the CSD shall register shares in the issue account of the joint-stock company (acquiring company) pursuant to the following documents:

- 1) Application by the issuer submitted via a corporate agent;
- 2) Notice on the intention to use the exemption from the requirement to produce, have approved, and publish prospectuses mandated by legislation governing the capital market;
- 3) Approval from the National Bank of Serbia in the event of a change of status of a bank, insurance company, voluntary pension fund management company, leasing firm, or payment institution;
- 4) Approval from the Securities Commission in the event of a change of status of a broker-dealer or market operator.

[2] The declaration referred to in Section 27d Paragraph [2] must also be submitted in the event that the change of status results in a substitution of shares or equity interests in a different ratio.

[3] As envisaged under legislation governing companies preferential subscription and exclusion of preferential subscription shall not apply to the registration of shares due to an increase in the capital of a joint-stock company (acquiring company) following a status change.

[4] Pursuant to a duly submitted application and the requisite documents, the CSD shall open an issue account, register shares in the issue account of the issuer, and simultaneously assign a uniform FISN code to the financial instruments within the period stipulated by Section 7a of these Operating Rules.

[5] [4] Pursuant to a decision of the CSD on registration of shares in the issue account of the issuer, the issuer shall register the change of status with the Business Registers Agency, as envisaged under legislation governing the registration of companies.

[6] Following the registration of the change of status and pursuant to a procedural decision of the Business Registers Agency registering the change of status, the CSD shall transfer shares into accounts of lawful holders as envisaged and within the period stipulated by Section 20 to 23 of these Operating Rules.

[7] In the event of a separation involving an increase in the capital of one joint-stock company and a simultaneous decrease in the capital of another joint-stock company, the CSD shall simultaneously reduce authorised capital as envisaged by Section 93 or 95 of these Operating Rules by registering shares in the issue account and accounts of lawful holders.

## **IVv. EQUITY OPTIONS**

27e. [1] ‘Equity option’ means a non-transferrable financial instrument issued by a limited liability company (‘the issuer’) that entitles a consenting holder of the financial instrument registered with the CSD to an equity stake in the issuer on a defined date (‘maturity date’) at a defined price.

[2] At the application of the issuer, the CSD may register multiple issues of equity options with the same maturity date and the same time limit for payment of price backed by one reserved own equity stake registered with the Business Registers Agency pursuant to the law governing registration.

[3] - Equity option may neither be pledged nor inherited.

### **Registration of Issue of Equity Options**

27ž. [1] An issuer may apply with the CSD for registration of multiple issues of equity options backed by one reserved own equity stake that, in aggregate, entitle the holders of such equity options to no more than 100% of the reserved equity stake.

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[2] Where an issuer has applied for registration of one or multiple issues of equity options backed by one reserved own equity stake that in aggregate entitle the holders of such option financial instruments to more than 100% of the reserved equity stake, the CSD shall reject such application for registration.

27z. [1] An application with the CSD for registration of an issue of equity options may be made by:

- 1) The issuer (authorised person of the issuer) in writing; or
- 2) A CSD member acting on behalf of the issuer electronically by means of the CSD client-side web application.

[2] The following documentation shall accompany an application referred to in Paragraph [1] of this Section:

- 1) Decision on the issuer on acquisition of the reserved own stake;
- 2) Procedural decision on registration of the reserved own stake;
- 3) Decision on the issue of the equity options;
- 4) Electronic file containing information on the holders of equity options indicating the number of such equity options acquired by each holder of equity options;
- 5) Declaration by the authorised person of the issuer attesting to the accuracy of the information provided on the holders of equity options;
- 6) Declaration by the authorised person of the issuer indicating information (in percentages) on entitlement to equity stakes for all equity option issues backed by the reserved own equity stake in question;
- 7) Agreement entered into between the CSD member and the issuer, in the event that the application is made through a CSD member.

[3] A decision on the issue of equity options shall be made by the General Assembly of the issuer, except where otherwise provided for in the Articles of Incorporation of the issuer.

[4] The issuer or the CSD member acting on behalf of the issuer shall be required to submit to the CSD the decision on issue and the appropriate documentation within five days of adoption.

[5] The decision on the issue shall contain:

- 1) Number of equity options being issued;
- 2) Reserved own equity stake underlying the equity options (number of procedural decision on registration of own equity stake and registered own equity stake as percentage of the legal capital of the company);
- 3) Information on persons acquiring equity options (as referred to in Section 27j, Paragraph [3] of these Operating Rules;
- 4) Percentage of the reserved own equity stake the holder of each equity option is entitled to;

- 5) Price payable by the holder of the equity option to the issuer in exchange for the equity stake and the time limit for payment of such price, which may not be less than 15 nor more than 30 days from date of maturity;
- 6) Date of issue of the equity option;
- 7) Date of maturity of the equity option;
- 8) Conditions under which the equity option may be cancelled prior to date of maturity.

27i. [1] Pursuant to the application for registration of issue and the appropriate documentation referred to in Section 27z, Paragraph [2] of these Operating Rules, the CSD shall assign a CFI code in accordance with the Code List and an ISIN to the equity options, and shall issue a certificate of assignment of the CFI code and ISIN.

[2] All equity options that are part of the same issue shall confer the same entitlements as indicated in the decision on the issue (percentage of equity stake, time limit for payment, date of issue, date of maturity, and conditions for cancellation prior to date of maturity) and shall be assigned the same ISIN by the CSD.

27j. [1] Following the assignment of the CFI code and ISIN by the CSD, pursuant to the application and the appropriate documentation referred to in Section 27z, Paragraph [2] of these Operating Rules, the CSD shall open an issue account, register the issue in the issue account of the issuer, and assign the equity options a FISN code.

[2] As specified in the electronic file with information on holders of equity options indicating the number of equity options to be acquired by each holder, the CSD shall transfer the equity options from the issue account of the issuer to the financial instrument account of the holder acquiring the equity options maintained with the CSD.

[3] The electronic file shall contain the following information on the holders of equity options:

- 1) For a Serbian natural person: name, surname, Serbian national identification number, and address (street and house number, postcode, and municipality code);
- 2) For a foreign natural person: name, surname, address, passport number and country of issue; or foreign national's identification number; or foreign identity card number and country of issue;
- 3) For a Serbian legal person: legal name, address of registered office (street and house number, postcode, and municipality code), and registration number;
- 4) For a foreign legal person: legal name, address of registered office, registration number assigned by the business register of origin, and country of registration.

### **Entitlement to Equity Stake and Cancellation of Equity Options**

27k. [1] An equity option may be either:

- 1) Exercised by means of acquisition of an equity stake, or
- 2) Cancelled:
  - Where the holder of the equity option fails to pay the issuer the price set in the decision on the issue in exchange for acquisition of the equity stake,
  - Prior to date of maturity, under conditions set out in the decision on the issue.

[2] The issuer shall submit to the CSD a single application for de-registration of equity options for all issues backed by one reserved own equity stake.

[3] In the event referred to in Paragraph [1] of this Section, the CSD shall de-register the equity options.

27l. [1] Where the holder of an equity option pays the price set in the decision on the issue by the time limit set out in the decision on the issue, such holder shall be deemed to have consented to the acquisition of the equity stake.

[2] Where the holder of an equity option fails to pay the price set in the decision on the issue by the time limit set out in the decision on the issue, or a condition for cancellation prior to date of maturity is met, the issuer shall adopt a decision cancelling the equity option.

[3] Within 30 days of the expiry of the time limit for payment of the price set in the decision on the issue, the issuer shall be required to submit to the CSD an application for de-registration of equity options, for all issues issued backed by the same reserved own equity stake, for the purpose of either acquisition of the equity stakes or cancellation.

[4] To substantiate an application for de-registration of an equity option for the purpose of acquisition of equity stake, the issuer shall submit to the CSD information referred to in Section 27j Paragraph [3] of these Operating Rules on holders entitled to acquire an equity stake in the same reserved own equity stake, or on holders of financial instruments that have made payment pursuant to the decision on the issue.

[5] To substantiate an application for de-registration of an equity option for the purpose of cancellation of that equity option, the issuer shall submit to the CSD the decision on cancellation and information on the holder of the equity option referred to in Section 27j Paragraph [3] of these Operating Rules.

27m. [1] Pursuant to an application for de-registration of an equity option, the CSD shall de-register all issues issued backed by the same registered own equity stake and shall issue a certificate of de-registration of the equity option.

[2] The certificate of de-registration of an equity option shall contain:

- 1) Legal name and registration number of the issuer;
- 2) Number of equity options issued;
- 3) Number of equity options issued that are to be de-registered;
- 4) Percentage of the reserved own equity stake the holder of each equity option is entitled to;
- 5) Information on the holder of the equity option referred to in Section 27j of these Operating Rules.

27n. [1] In the event of de-registration of an equity option prior to date of maturity, where requirements have been met to cancel all issues backed by one reserved own equity stake indicated in the decision on the issue, the issuer shall submit to the CSD an application for de-registration and the decision cancelling the equity option prior to date of maturity, whereupon the CSD shall de-register all equity options issues backed by that reserved own equity stake.

## **V. CORRECTION OF DATA CONTAINED IN SINGLE RECORD OF LAWFUL HOLDERS OF SECURITIES**

28. [1] Data kept in the single record of lawful holders of securities at the CSD may be amended for the purpose of correcting any errors in such record pursuant to:

- 1) A final court ruling;
- 2) An application made in writing by a competent Ministry, accompanied by an enactment correcting any error in previously provided data;
- 3) An application made in writing by an issuer of securities, submitted via a corporate agent, correcting any errors in the schedule of lawful holders provided by the issuer at the time of registration;
- 4) An application made in writing by a CSD member acting as corporate agent of an issuer that provided erroneous information on persons that purchased or were allotted securities.

[2] The corporate agent of the issuer shall be required to provide the following documents to accompany the application referred to Item [3] of this Paragraph:

- 1) Declaration made by an authorised officer of the issuer attesting to the accuracy of information, made under full civil and criminal liability and indicating the number of securities held by persons to which the application pertains;
- 2) Photocopies of the following documents, certified by the CSD member as envisaged by Section 4 of these Operating Rules:
  - Personal identity cards for Serbian natural persons;
  - Passports for foreign natural persons;
  - Death certificates for deceased Serbian natural persons;
  - Appropriate certificates for deceased foreign natural persons;
  - Excerpt from the appropriate register for Serbian legal persons;
  - Excerpt from the appropriate register, not older than six months, for foreign legal persons;
- 3) Securities transfer order signed by an authorised officer of the issuer.

[3] The corporate agent of the issuer shall accompany the application submitted to the CSD referred to in Item [1] Point 4) of this Paragraph by the following documents:

- 1) Declaration by the person in possession of or lawful holder of the securities, made under full civil and criminal liability (indicating the number of securities and information on the holder);
- 2) Securities transfer order certified by the corporate agent of the issuer as envisaged by Section 4 of these Operating Rules.

### **Correction of Uniform Identification Numbers of Holders of Financial Instruments**

29. [1] The CSD shall correct errors in registered uniform personal identification numbers or registration numbers of holders of financial instruments at the application of a CSD member and pursuant to the following documents:

- 1) For legal persons:
  - Photocopy of a procedural decision of the Business Registers Agency, for Serbian legal persons;
  - Photocopy of a procedural decision of the appropriate foreign register, accompanied by a translation certified by an authorised court translator, for foreign legal persons;

- Declaration made by an authorised officer of the lawful holder, made under full civil and criminal liability, attesting that no change in ownership of financial instruments had occurred, for foreign legal persons;
  - Other document evidencing the identity of the person in question.
- 2) For natural persons:
- Procedural decision or certificate issued by the Ministry of Interior indicating the erroneous or accurate uniform personal identification number; or
  - Final court ruling on the change of uniform identification number; or
  - Declaration made by the issuer under full civil and criminal liability on the accuracy of the uniform personal identification number;
  - Photocopy of a current personal identity card, for Serbian natural persons;
  - Photocopy of a current or expired passport, for foreign natural persons;
  - Death certificates for deceased natural persons;
  - Declaration made by an authorised officer of the lawful holder, made under full civil and criminal liability, attesting that no change in ownership of financial instruments had occurred, for foreign legal persons; or
  - Other document evidencing the identity of the person in question.

## **VI. FINANCIAL INSTRUMENT ACCOUNTS OF CSD MEMBERS**

29a. [1] Financial instrument accounts of CSD members and their clients shall be opened and maintained in the CSD with the following designations:

- 1) Issuing account (802: Ongoing issue account; 902: Issue account);
- 2) Proprietary account (911: with the CSD; 919: with a CSD member; 980: Free-of-charge shares account);
- 3) Proprietary financial collateral account (933);
- 4) Deposited securities account (920);
- 5) Management account (923);
- 6) Omnibus account (935);
- 7) Custody account (925);
- 8) Pledge account (921);
- 9) Financial collateral pledge account (922);
- 10) Co-ownership account (927);
- 11) Deposit account (929);
- 11a) Transitional omnibus account (966);
- 12) Other financial instruments accounts.

[2] Financial instrument accounts shall be numbered according to the pattern ddddd – ttt – aaaaaaaaa – cc, where:

‘dddd’ is the depository code;

‘ttt’ is the account type designator referred to in Paragraph [1] of this Section;

‘aaaaaaaa’ is the account number; and

‘cc’ is the checksum code.

29b. [1] The CSD shall open and maintain financial instrument accounts for the following categories of persons:

- 1) Serbian natural person (‘fd’), where the Serbian national identification number shall be used for identification;

- 2) Serbian legal person ('pd'), where the registration number with the Business Registers Agency shall be used for identification;
- 3) Foreign natural person ('fs'), where passport number, foreign national's personal identification number, or foreign national's identity card number shall be used for identification;
- 4) Foreign legal person ('ps'), where the registration number with the business register of origin and legal name shall be used for identification;
- 5) Sole proprietorship ('st'), where the Serbian national identification number shall be used for identification;
- 6) Privatisation consortium, where the identification number shall be assigned according to the pattern cxxxxxxxxxxx, where k remains constant and 'xxxxxxxxxxx' is the first 12 digits of the Serbian national identification number or registration number of the legal person leading the consortium;
- 7) Investment fund and pension fund maintained in a custody account ('fo'), where the identification number shall be assigned according to the pattern xxxxxcyyyyyyy, where 'xxxxx' is the depositary code, k remains constant, and 'yyyyyy' is the number of the agreement on opening and maintaining the relevant custody account;
- 8) Persons maintained in an omnibus account ('zr'), where the identification number shall be assigned according to the pattern xxxxxzyyyyyyy, where 'xxxxx' is the depositary code, 'z' remains constant, and 'yyyyyy' is the number of the agreement on opening and maintaining the relevant omnibus account;
- 9) Bankruptcy estate ('sm'), where the registration number with the Business Registers Agency shall be used for identification.

30. [1] A client may authorise any CSD member to make orders with the CSD for opening financial instrument accounts by entering into a contract on opening and maintaining a financial instrument account with such CSD member.

[2] The CSD shall open financial instrument accounts for members of the CSD and their clients pursuant to orders for opening such accounts.

[3] Orders for opening financial instrument accounts shall be made by CSD members by means of the CSD client-side application.

[4] Each CSD member shall be required to keep all contracts on opening and maintaining financial instrument accounts on file, and to provide them for inspection by the CSD when so requested.

[5] Each CSD member shall be required to provide a statement of account balance at the request of any client that has contracted it to open and maintain a financial instrument account.

[6] Members of the CSD shall alter information of owners of financial instrument accounts using the client-side web application pursuant to orders of owners who are clients of CSD members and the following substantiating documentation:

- In the event changes have been made to identifying information and other data concerning a natural person (such as first and last name, address, etc.), documents shall be submitted that substantiate such changes;
- In the event changes have been made to identifying information and other data concerning a legal person (such as name, registered office, etc.), the appropriate

procedural decisions of the Business Registers Agency or documents of other business registers shall be submitted;

- In the representative of the owner of financial instruments has been substituted, the relevant power of attorney for representation shall be submitted.

### **Proprietary Financial Instrument Account**

31. [1] The CSD shall maintain proprietary financial instrument accounts and keep track of balances in such accounts on behalf of CSD members and clients that have contracted them to open and maintain financial instrument accounts.

[2] Financial instruments shall be transferred from a proprietary account maintained with one CSD member into a proprietary account kept with another CSD member pursuant to a financial instrument transfer order made by the client with the CSD member with which the proprietary financial instrument account is maintained.

### **Proprietary Financial Collateral Account**

31a. A proprietary financial collateral account shall be opened for a taker of financial collateral ('collateral taker') and shall be used to maintain financial instruments that a provider of financial collateral ('collateral provider') has transferred to the collateral taker as security, pursuant to a financial collateral arrangement and legislation governing the provision of financial collateral.

### **Co-Ownership Account**

32. [1] 'Co-ownership account' means a financial instrument account wherein are maintained the shares of multiple owners (co-owners of shares), each owning fewer than one share.

[2] Co-ownership accounts shall be opened and maintained by CSD members pursuant to an application and an agreement on the opening and maintenance of a financial instrument account entered into between the CSD member and a mutual proxy designated by agreement of all co-owners. Signatures of co-owners to such agreement shall be certified as envisaged by legislation governing the certification of signatures.

[3] In the event that no mutual proxy is designated, the CSD member shall open the co-ownership account pursuant to an application and an agreement on the opening and maintenance of a financial instrument account entered into with one co-owner or an authorised person of the issuer of the shares in question.

[4] The CSD member shall submit to the CSD a record of the co-owners of shares in both printed and electronic format in accordance with the procedure for submission by commission, as well as information on the mutual proxy if one has been designated by an agreement between all co-owners.

[5] Until such time as the CSD has registered the mutual proxy, the CSD shall register shares owned by co-owners in the single shareholder record as non-voting shares.

[6] Following the designation of a mutual proxy by all co-owners, the CSD member maintaining the co-ownership account shall notify the CSD of the mutual proxy (indicating their uniform personal identification number and first and last name) for the proxy to receive authorisation for the account and the exercise of voting rights.



[7] The mutual proxy may dispose of shares in the co-ownership account if so stipulated in the agreement between all co-owners.

[8] When altering the registered co-owners, except in the event of a reduction in the number of co-owners not resulting in the registration of a new co-owner, the co-owners shall designate a proxy by entering into a new agreement between all co-owners. The CSD member maintaining the co-ownership account shall notify the CSD of the change and provide information on the new proxy for registration with the CSD.

[9] Where a co-owner of a share gains possession of the entire share, the CSD member shall make an order with the CSD for transfer from the co-ownership account to a proprietary financial account of the lawful holder. In this case, the CSD member in charge of the co-ownership account shall be required to provide the CSD with a CD containing an electronic record of information on the lawful holder and the number of shares to be transferred from the co-ownership account to the proprietary financial instrument account, as well as a CD containing an electronic record of information on new co-owners of shares.

### **Interim Account**

32a. [1] ‘Interim account’ means a financial instrument account opened with the CSD as depositary (depositary code 40000) to maintain the financial instruments of a lawful holder and issuer for which no proprietary financial instrument account or issue account has been opened with a CSD member.

[2] The CSD shall register, de-register, and transfer financial instruments in an interim account pursuant to the appropriate documentation as envisaged by these Operating Rules.

### **Financial Instrument Pledge Account**

33. A financial instrument pledge account means an account used to maintain financial instruments of a lawful holder that are subject to a registered pledge in favour of a third party, excepting pursuant to a financial collateral arrangement.

### **Financial Collateral Pledge Account**

33a. A financial collateral pledge account shall be opened in the name of a collateral taker and shall be used to maintain financial instruments that a collateral provider has pledged as security in favour of the collateral taker, pursuant to a financial collateral arrangement and legislation governing the provision of financial collateral.

### **Management Account**

34. [1] Any CSD member licensed to operate as portfolio manager or possessing approval of a fund management company may open a management account on behalf of its client.

[2] By transferring financial instruments into the management account, the client shall give general authorisation to the CSD member to manage the financial instruments of the client in accordance with and in the manner defined by the operating rules of the CSD member and the contract on the management of financial instruments.

### **Omnibus or Custody Account**

35. [1] ‘Omnibus or custody account’ means an account in which a CSD member maintains the financial instruments of one or multiple clients.

[2] An investment firm (broker-dealer company or credit institution authorised by the Securities Commission to operate as an investment firm) that is a CSD member may contract with clients, other than investment funds or voluntary pension funds, to maintain financial instrument omnibus accounts.

[3] A custody bank or depositary bank that is a CSD member may conclude contract with investment funds or voluntary pension funds to maintain financial instrument custody accounts. Page | 42

[4] Each CSD member shall be required to keep any contracts for the opening and maintenance of financial instrument omnibus or custody accounts in their records and provide such contracts for inspection by the CSD at the request of the CSD.

[5] The CSD member shall be held liable for maintaining a record of ownership of financial instruments and for the reconciliation of balances of financial instruments in an omnibus or custody account with the CSD with those in its analytical records, and shall be required to keep appropriate documents regarding changes to the omnibus or custody account.

36. [1] Financial instruments shall be transferred from the custody account into other financial instrument custody accounts, in the event that there is no change in the lawful owner of the financial instruments, by the custody bank or depositary bank pursuant to a financial instrument transfer order made by the client and a statement made by the client affirming that such transfer will result in no change to the lawful holder of financial instruments.

[2] The client of the custody bank or depositary bank shall provide a statement affirming that such transfer will result in no change to the lawful holder of financial instruments and that the transfer is taking place pursuant to a contract on maintaining financial instrument accounts entered into with the same or a new CSD member, whereby the client shall also be required to specify the number and date of the contract in the statement.

[3] Transfers referred to in Paragraph [1] of this Section shall be carried out through the input of the transfer order into the CSD information system.

[4] The custody bank and depositary bank shall be required to keep on file any documents pursuant to which financial instruments were transferred with no change in ownership, and to provide them for inspection by the CSD when so requested.

37. [Deleted]

38. A CSD member keeping both the proprietary and the omnibus account of the client shall transfer financial instruments from the proprietary to the omnibus account of the client, and vice versa, by inputting the order into the CSD information system, pursuant to the order and a statement given by the client affirming that such transfer will result in no change to the lawful holder of financial instruments.

39. A CSD member shall transfer financial instruments from an omnibus account into another omnibus account with the same or another CSD member pursuant to a transfer order made by the client and a statement made by the client affirming that such transfer will result in no change to the lawful holder of financial instruments, as well as that the transfer is being carried out pursuant to a contract on the maintenance of omnibus financial instrument accounts entered into with a new CSD member or the same CSD member, whereby the client shall also be required to specify the number and date of the contract in the statement.

## **Deposited Securities Accounts**

40. [1] Any person acquiring shares in a target company in a takeover offer shall be required to enter into a contract with a CSD member for opening and maintaining a deposited securities account.

[2] The CSD member shall be required to apply in writing with the CSD to open a deposited securities account on behalf of the offeror (buyer). The CSD member shall be required to provide the contract on opening and maintaining a deposited securities account.

[3] Where own shares are being acquired, the CSD member shall be required to apply with the CSD for opening a deposited securities account as envisaged in Paragraph [2] of this Section.

[4] The CSD shall open a deposited securities account pursuant to the application and documents submitted.

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## **Securities Deposit Account**

41. [1] The CSD shall open and maintain securities deposit accounts at the application of CSD members. These accounts shall be used to keep securities given in deposit in cases where payment is made in securities.

[2] Where takeover offers involve payment in securities, the CSD member contracted to the offeror shall apply in writing with the CSD for opening a securities deposit account on behalf of the offeror. Securities to be used in payment shall be transferred from the proprietary securities account of the offeror into the securities deposit account as collateral for payment pursuant to a securities transfer order certified by authorised officers of both the offeror and the CSD member.

## **Transitional Omnibus Financial Instrument Account**

41a. [1] ‘Transitional omnibus financial instrument account’ is an account opened by a CSD member into which such CSD member shall transfer, and in which such CSD member shall keep, financial instruments of a lawful holder with which such member has terminated an agreement on the opening and maintenance of a financial instrument account pursuant to provisions of anti-money-laundering legislation.

[2] Such CSD member shall be required to provide written notice to the lawful holder of the necessity and legal grounds for closing the account and to seek instructions from such lawful holder for the transfer of financial instruments to a different member, with clear stipulation of the time limit for providing such instructions, where such time limit may not be shorter than 30 days prior to the intended date for the transfer referred to in Item [1] of this Paragraph.

[3] Where the lawful holder fails to provide instructions for the transfer of financial documents to a different member within the time period stipulated, the member managing the financial instrument account of the lawful holder may effect the transfer referred to in Item [1] of this Paragraph.

[4] Such CSD member shall be required to keep records for each individual lawful holder whose financial instruments are kept in an Transitional omnibus account.

[5] The CSD member shall transfer any dividend or other income accruing on financial instruments kept in an Transitional omnibus account into the appropriate omnibus cash account.

[6] The CSD member shall be required to comply with instructions made by the lawful holder for transferring financial instruments from the transitional omnibus account into a financial instrument account maintained by the CSD member in question or another CSD member.

### **Closing Financial Instrument Accounts**

42. [1] The CSD shall close financial instrument accounts at the application of any lawful holder filed through the CSD member tasked with maintaining its financial instrument accounts. The CSD shall close a financial instrument account provided that there are no financial instruments in such account.

[2] The CSD shall also close the financial instrument account of a client at the application of the CSD member maintaining the financial instrument account of such client in the event of the termination of the agreement on the maintenance of the financial instrument account entered into between the member and the client, provided that no financial instruments are maintained in that account.

[3] In the event the client is a company struck off the Business Register without a legal successor being designated, the CSD member shall transfer the financial instrument to a suspense account of the CSD, whereupon the CSD shall close the account of the client with the CSD.

[4] By way of an exception, the CSD shall close financial instrument accounts pursuant to summaries of clients that transferred financial instruments to selected depositaries at the time of the termination of membership, as provided by members whose membership is about to terminate.

[5] Such summaries shall contain the following information: first and last name/company name, personal or corporate registration number, identification of the financial instruments in question (number, CFI code and ISIN), and code and name of the selected depositary.

### **Content of Financial Instrument Transfer Order and Order for Registering Third Parties' Rights**

43. [1] A financial instrument transfer order must contain the following information:

- Name of ordering party/owner of financial instrument;
- Unique identification number of ordering party;
- Financial instrument account to be debited;
- ISINs of financial instruments to be transferred;
- Number (quantity) of financial instruments to be transferred;
- Name of beneficiary;
- Unique identifying number of beneficiary;
- Financial instrument account to be credited, and
- Legal grounds for the transfer of financial instruments.

[2] Where financial instruments are to be transferred simultaneously with payment, the financial instrument transfer order must contain the following information: code of CSD

member charged with keeping the cash account of the ordering party or cash account of beneficiary; unit price of financial instruments; currency code; and settlement date.

44. [1] An order for registering third parties' rights must contain the following information:

- Name of pledger (owner of financial instruments);
- Unique identifying number of pledger;
- Proprietary financial instrument account of the pledger into which financial instruments have been deposited;
- Name of pledgee;
- Unique identifying number of pledgee;
- ISINs of financial instruments to be pledged;
- Number (quantity) of financial instruments to be pledged;
- Amount of accounts receivable subject to collateral; and
- Number and date of pledge agreement.

[2] Where so envisaged by the agreement, the order shall also contain:

- Ban on disposal of the financial instruments pledged;
- Entitlement of creditor to dividend, annuity, or coupon; and
- Entitlement of creditor to collection by taking possession of the financial instruments.

### **Access to Information Maintained by CSD**

45. [1] The CSD shall allow members access to the portion of the CSD database pertaining to each member and its clients by means of the CSD client-side web application.

[2] CSD members shall issue statements of balance and transactions regarding financial instrument accounts with reference to data from the CSD database.

[3] A lawful holder of financial instruments or person able to demonstrate sufficient interest in connection with financial instruments may file with the CSD, either directly or through a CSD member, an application for the provision of information in connection with such financial instruments.

## **VII. OPENING AND MAINTAINING CASH ACCOUNTS**

46. [1] The National Bank of Serbia shall open and maintain cash accounts of the CSD.

[2] The CSD shall have one dinar account for settlement of transactions entered into by CSD members involving financial instruments and two foreign exchange accounts, namely the CSD members' Guarantee Fund account and the account used to settle transactions involving financial instruments.

[3] CSD members shall open dedicated dinar cash accounts with commercial banks, into which accounts the CSD shall pay dinar funds pursuant to clearing and settlement of corporate transactions, and the balances of such accounts may not be subject to enforced collection.

[4] CSD members shall notify the CSD in writing of their dedicated dinar cash accounts with commercial banks at the time of admission to membership as well as in the event of any change of such accounts. One such account shall be registered by the CSD against each member's depositary code.

46a. [1] ‘Member settlement account’ means an account opened for a member in the CSD system used for members’ cash liabilities and accounts receivable arising from the clearing and settlement of transactions involving financial instruments.

[2] The CSD shall open dinar and foreign exchange settlement accounts for CSD members after entering into membership agreements with them.

[3] Payments into a member settlement account shall be made pursuant to orders made by the CSD member to its commercial bank to transfer from its account funds such as necessary for the settlement of financial instruments and cash to the CSD account maintained with the National Bank of Serbia in accordance with payment instructions published on the CSD website.

[4] Sub-accounts of the cash settlement account of the Republic of Serbia with the CSD have been opened for the Share Fund, National Pension and Disability Insurance Fund, Treasury Administration, Development Fund, and other entities, which shall serve for the transfer of the cash proceeds of the sale of financial instruments held by these organisations.

46b. [1] CSD members shall be required to ensure their clients’ cash accounts contain sufficient funds for the settlement of transactions involving financial instruments and to pay funds into the CSD account pursuant to the CSD Term Schedule Rulebook.

[2] For dinar-denominated financial instruments the CSD member shall pay cash in on settlement date pursuant to the CSD Term Schedule Rulebook.

[3] After receiving an electronic message from the CSD detailing cash liabilities arising from transactions involving foreign exchange denominated financial instruments, the CSD member shall be required to pay additional funds into its cash account, and may also order the reimbursement of any excess funds.

[4] The CSD member shall be required to announce an incoming or outgoing foreign exchange payment (reimbursement) into or from the CSD foreign exchange account maintained with the National Bank of Serbia using the CSD client-side web application, pursuant to the CSD Term Schedule Rulebook.

## **VIII. CLEARING AND SETTLEMENT OF FINANCIAL INSTRUMENTS AND CASH**

47. [1] Financial instruments and cash shall be cleared and settled in accordance with the CSD Term Schedule Rulebook.

[2] The CSD shall settle transactions entered into in a regulated market or through an MTF or in the OTC market on a DvP basis (delivery versus payment) by:

- 1) Employing DvP model 2 as recommended by the Bank for International Settlement (BIS), where financial instruments are settled at client level and cash is settled at CSD member level;
- 2) Transferring financial instruments from the account of the seller to the account of the buyer simultaneously with the transfer of cash from the account of the buyer to the account of the seller;
- 3) Effecting multiple settlement; and

- 4) Effecting settlement within the appropriate time limit for settlement in a rolling settlement cycle of up to t+2 from transaction date.

[3] Transactions involving the payment of cash pursuant to corporate actions (payment of dividend, principal, annuity, coupon, debt securities, and the like) shall be settled once the total amount of cash liabilities arising from the outgoing payment has been paid in and other requirements have been met.

[4] The CSD shall also transfer financial instruments in transactions where payment is made in other financial instruments (on a Delivery versus Delivery, or DvD, basis), as well as transfer financial instruments without a corresponding transfer of funds (on a Free of Payment, or FoP, basis), as envisaged by legislation.

[5] Financial instruments and cash shall be cleared separately for dinar-denominated and foreign currency denominated transactions.

47a. A regulated market or MTF shall deliver to the CSD an electronic file containing information on transactions entered into involving financial instruments ('proof of transaction').

47b. [1] In addition to transactions entered into in a regulated market or MTF, the CSD system shall record DvP transactions entered into through the auction platform of the Ministry of Finance of the Republic of Serbia, auction platform of the National bank of Serbia, the CSD client-side web application, and other platforms and applications.

[2] Proofs of transaction shall be generated with reference to data referred to in Paragraph [1] of this Section.

47v. [1] Having verified the accuracy of a proof of payment referred to in Sections 47a and 47b of these Operating Rules, the CSD shall generate an MT295 message, which shall contain any and all relevant data from the proof of payment, pursuant to a guide published on the client-side web application, and shall forward it for confirmation to the CSD member indicated in the proof of payment as the depository of the financial instruments or cash.

[2] The CSD shall send four Swift messages for each DvP transaction (to buyer and seller securities depositaries and buyer and seller cash depositaries).

[3] The CSD member shall respond to every MT295 message received with messages MT296 and MT202, pursuant to the CSD Term Schedule Rulebook.

[4] The MT296 message shall be generated by the CSD member maintaining financial instrument accounts of the seller and the buyer, as well as by the CSD member maintaining cash accounts of the seller of the financial instruments.

[5] The MT202 message shall be generated by the CSD member maintaining the cash account of the buyer of the financial instruments.

[6] Messages MT296 and MT202 shall be used to- accept or reject settlement, where a reason for rejection must be given.

[7] Where a CSD member rejects settlement due to an error in inputting the relevant order in a regulated market or through an MTF, the transaction intermediary that made such error shall be required to submit a written explanation to the CSD to ensure the error can be corrected.

[8] Pursuant to these Operating Rules, the CSD shall revoke an MT295 message by sending an MT292 message and shall send a DUPL MT295 message to the CSD member correctly identified as a party to a transaction.

47g. [1] CSD members' cash positions shall be netted in the CSD system, which shall entail determining multilateral net cash obligations and claims of CSD members that are parties to settlement.

[2] Where the net cash obligation of a CSD member for a particular settlement date and currency exceeds its net cash claims, the net position shall be negative ('single net obligation').

[3] Where the net cash claims of a CSD member for a particular settlement date and currency exceeds its net cash obligations, the net position shall be positive ('single net claim').

[4] At the close of each working day, after any corrections have been made and sufficient time has elapsed to ensure no additional corrections will be requested, the CSD shall calculate the potential projected obligations and claims for the following two days, which CSD members may retrieve using the CSD client-side web application.

[5] Prior to the start of the first settlement cycle and prior to each settlement cycle during the course of a day, assessments shall be made of cash balances in members' settlement accounts with the CSD and of financial instrument balances in clients' accounts with members who have accounts in the CSD system.

[6] Following an assessment and determination of the net balances in CSD members' settlement accounts, transactions with the appropriate balances and transactions for the settlement of which funds are lacking shall be indicated.

47d. Once all requirements for settlement have been met, and once all MT295 messages in all transactions have been acknowledged, where the account of the seller contains a sufficient quantity of financial instruments and where accounts of buyers contain sufficient amounts of cash for settlement, the CSD shall, pursuant to the Term Schedule Rulebook:

- 1) Post to and update settlement cash accounts and orders;
- 2) Transfer financial instruments pursuant to instructions set out in proofs of transaction;
- 3) Reimburse excess dinar funds from its account in the Real-Time Gross Settlement (RTGS) system of the National Bank of Serbia into dedicated dinar-denominated accounts of CSD members with commercial banks (by sending an MT103 message);
- 4) Generate and send to members MT900/MT910 cash debit/credit messages;
- 5) Notify the appropriate members, by providing dinar balances in an MT950 message, of any changes to cash accounts, with such balances retrievable using the client-side web application and via FTP from the CSD;
- 6) Generate financial instrument balances retrievable using the client-side web application and via FTP from the CSD.

47dj. [1] Any and all funds received into the dinar-denominated cash account of the CSD with the RTGS system of the National Bank of Serbia must be transferred to CSD members immediately following settlement, or at the latest by the close of the working day, so that the balance of this account is equal to zero at the close of the working day.

[2] Orders for transfer and reimbursement of foreign exchange from the account of a CSD member with the CSD to the account of such member with a foreign correspondent bank shall be input by the CSD member using the client-side web application.



[3] The CSD shall reserve cash in the amount indicated and shall generate and send to the CSD member an MT295 message, to which the member shall be required to respond with an MT202 message.

[4] After the message has been acknowledged, the CSD shall submit a foreign exchange transfer order to the National Bank of Serbia pursuant to instructions input by the CSD member. The National Bank of Serbia shall notify the CSD of any changes to the account in an electronic file.

[5] The balance of the settlement account of the member in the CSD system shall be updated by uploading the electronic file, which will also remove any reservation of funds.

[6] The CSD shall notify a member of changes in its account by providing a foreign exchange balance (in the form of an MT950 message).

47e. [1] The CSD shall not transfer financial instruments and cash, and the underlying transaction shall be deemed to be an unexecuted transaction, where:

- 1) The account of the seller does not contain a sufficient quantity of financial instruments or the account of the buyer does not contain a sufficient balance of cash;
- 2) A pledge has been instituted on the financial instruments, excepting in the event of the activation of such pledge and compulsory redemption of shares;
- 3) The sale of financial instruments is blocked by a court order or otherwise;
- 4) In other cases, envisaged by law.

[2] Each CSD member shall be required to make available to the CSD any and all documents submitted by the client pursuant to which transfer or payment orders are made where so requested by the CSD.

### **Transfer of Financial Instruments Free of Payment**

48. [1] The CSD may transfer financial instruments from one account to another account free of payment (FoP) pursuant to a transfer order received via a CSD member accompanied by proof of legal grounds for the transfer of financial instruments, within three working days of receiving a duly submitted application.

49. [1] Financial instruments shall be transferred from the account of the previous owner into the account of the new owner pursuant to a lifetime maintenance agreement, deed on the distribution of property before death, final inheritance ruling, final court settlement or other final ruling of a court or other competent authority.

[2] The CSD member maintaining the account of the person transferring financial instruments shall enter transfer orders for such financial instruments by means of the CSD client-side web application.

50. [1] The CSD shall transfer financial instruments in the event that liquidation or bankruptcy of a company is completed, or in other cases as envisaged by law.

[2] The CSD shall transfer financial instruments pursuant to an enforceable decision on the completion of bankruptcy proceedings or any other court ruling ordering the CSD to transfer financial instruments as may be appropriate.

[3] Where liquidation of a company results in a new lawful owner coming into the possession of financial instruments previously in the possession of such company, the CSD member managing the financial instruments shall provide the CSD with the following documents:

- 1) Decision of the General Meeting or other body on the initiation of liquidation proceedings;
- 2) Procedural decision of the Business Registers Agency on the completion of liquidation;
- 3) Decision on the distribution of assets remaining after liquidation;
- 4) Financial instrument transfer orders certified by the ordering party and the CSD member.

[4] Financial instruments formerly held by a company struck off the Business Register following compulsory liquidation or on other grounds as stipulated in the Companies Law shall be transferred by the CSD pursuant to the following documents submitted via a CSD member:

- 1) Application for transfer of financial instruments made by the owner of the company;
- 2) Financial instrument transfer order certified by the owner of the company and the CSD member;
- 3) Procedural decision of the Business Registers Agency to strike off the company due to compulsory liquidation;
- 4) Deleted.

51. Financial instruments may be transferred from the account of a previous owner into the financial account of a new owner pursuant to a gift agreement made in writing, or an agreement on the assignment of financial instruments free of charge certified as envisaged by legislation governing the certification of signatures, and a financial instrument transfer order made by the donor, recipient, or other duly authorised person. The CSD member contracted by the assignor or donor to open and maintain a financial instrument account shall input the financial instrument transfer order by means of the CSD client-side web application. In case of gift agreements or assignments free of charge to which one of the parties is the Republic of Serbia, the financial instruments shall be transferred pursuant to the agreement, conclusion of the Government and transfer order, whereby the contract need not be certified by an appropriate body.

52. [Deleted]

53. [1] The CSD shall transfer financial instruments from the proprietary financial instrument account of the founder or investor in such company into the proprietary financial instrument account of such company in case of the establishment of such company or increase in its equity through an investment in rights, i.e. financial instruments.

[2] Along with the application, the CSD member handling the transaction shall be required to provide the Articles of Incorporation and/or decision on the incorporation of the company or on the increase in the capital of the company referred to in Paragraph [1] of this Section, a procedural decision of the Business Registers Agency on the subscription or capital increase, or proof of the publication of the valuation by the Business Register, as well as a transfer order certified by the ordering party.

[3] In the event that, in accordance with the legislation governing companies, the Board of Directors, or the Supervisory Board of a two-tier company, decides not to value a non-cash contribution, the issuer shall submit the following to the CSD in addition to the required documentation and the relevant decision:

- 1) Attestation by the Chairman of the Board of Directors, or the Supervisory Board of a two-tier company, that must contain elements required by Article 58 of the Companies Law; and
- 2) Decision of the Business Registries Agency on the registration of such attestation by the Chairman of the Board of Directors, or the Supervisory Board of a two-tier company.

[4] In case of multiple founders or investors, transfer orders shall be submitted electronically (on a CD) by a commission as envisaged by these Operating Rules. In addition to the required documents, each CSD member shall be required to give a statement under full civil and criminal liability affirming that transfer orders issued by the founders or investors are in the possession of such member.

[5] Provisions of the Section referred to shall also apply in cases of investment in rights into foreign legal entities.

54. Financial instruments shall be transferred from the account of a lender to the financial instrument account of a borrower pursuant to a certified loan contract and a financial instrument transfer order certified by the party issuing the order, i.e. the lender. The CSD member keeping the financial instrument account of the lender shall input the financial instrument transfer order by means of the CSD client-side web application.

55. The CSD shall transfer securities based on a change of status of a company, in accordance with the law governing companies, pursuant to an application and the following documents:

- 1) Agreement on the change of status or division plan adopted by the Board of Directors, or the Supervisory Board of a two-tier entity;
- 2) Procedural decision of the Business Registers Agency registering the incorporation or increase in the capital of the acquiring company, as envisaged by legislation governing registration;
- 3) Procedural decision of the Business Registers Agency registering the striking off or decrease in the capital of the transferor company;
- 4) Approval from the National Bank of Serbia in the event of a change of status of a bank, insurance company, voluntary pension fund management companies, leasing firm, or payment institution;
- 5) Approval from the Securities Commission in the event of a change of status of a broker-dealer or market operator.
- 6) Financial instrument transfer order.

56. The CSD shall transfer shares into the financial instrument account of the Privatisation Agency or the competent Ministry pursuant to a decision of the Privatisation Agency or the competent Ministry on the transfer of equity in case of breach of a contract on the sale of socially-owned capital.

57. The CSD shall transfer shares in case of assignment of contract on the sale of socially-owned capital pursuant to the following documents provided by a CSD member:

- 1) Application made in writing;
- 2) Addendum to the contract on the sale of socially-owned capital, or contract on the sale of socially-owned capital;
- 3) Assignment agreement;
- 4) Procedural decision of the Privatisation Agency or the competent Ministry on the assignment of the contract on the sale of socially-owned capital, and
- 5) Share transfer order.

58. [1] The CSD shall transfer shares into accounts of lawful holders pursuant to procedural decisions on equity verification issued by the appropriate Government Ministries. Along with such decisions, the appropriate ministries shall provide to the CSD a certified list of shareholders both electronically (on a CD) and in hard copy.

[2] The CSD member acting as corporate agent to the issuer shall provide to the CSD an application for the registration of shares and the procedural decision issued by the appropriate ministry, as well as the electronic medium (CD) containing a list of shareholders that have made payments, in the manner envisaged for the submission of the list of lawful holders.

59. [1] The CSD shall transfer shares from accounts of consortia into those of lawful holders in fulfilment of obligations under contracts on the sale of socially-owned capital.

[2] The CSD member handling the transaction shall file with the CSD an application for the transfer of securities into accounts of consortium members who are lawful holders, and shall provide the following documents:

- 1) Contract on the sale of socially-owned capital entered into between the Privatisation Agency or the competent Ministry and the purchaser;
- 2) Consortium contract and Addendum to such contract (indicating the quantity of shares as a whole number);
- 3) Procedural decision of the Privatisation Agency or the competent Ministry recording the deletion of any pledge on shares, where payment is made in instalments;
- 4) Certificate issued by the Privatisation Agency or the competent Ministry confirming payment by the consortium pursuant to the sale and purchase contract, where payment is made up front, and
- 5) Securities transfer order in the form of an electronic file submitted in the manner envisaged for the submission of data by a commission.

60. [1] The CSD shall transfer shares pursuant to a procedural decision of the Privatisation Agency or the competent Ministry transferring shares from the proprietary financial account of the depositary into the proprietary financial instrument account of the Share Fund, as provided for under legislation governing entitlement to shares distributed free of charge and remuneration payable to members of the public in privatisation procedures.

[2] Frozen foreign currency deposit bonds of the Republic of Serbia shall be transferred pursuant to contracts on the transfer of such bonds and transfer orders signed by their previous owners.

### **Reversal of Executed Order for Transfer of Financial Instruments**

60a. Reversal of Executed Order to transfer financial instruments with or without payment, or an order to register or delete rights held by a third party, that has been executed may be reversed

in the event of error made in the course of entry or execution of such order. The CSD may reverse such transfer order pursuant to the following documentation:

- 1) Application of the CSD member representing the party initiating reversal of transfer order;
- 2) Documentation substantiating the alleged error.

### **Submission of Order for Transfer of Financial Instruments Free of Payment by Commission**

60b. [1] A financial instrument transfer order in electronic format ('e-Order') on CD shall be submitted by a commission composed of three representatives of the CSD ('commission members') and one representative of the CSD member submitting the e-Order.

[2] The CSD member shall accompany the CD by the following documents:

- 1) Financial instrument transfer order signed and certified by an authorised person of the CSD member;
- 2) Authorisation for the representative of the CSD member to submit the order by commission;
- 3) Schedule of Persons on CD in a format prescribed by the CSD, where the CD must be certified by an authorised person of the CSD member;
- 4) Declaration by the CSD member attesting to the accuracy of information contained in the Schedule of Persons, made under full civil and criminal liability;
- 5) Declaration by the CSD member attesting that financial instrument transfer orders are in its possession, made under full civil and criminal liability. This declaration shall not be made in the event of a decrease in capital in the possession of shareholders;
- 6) Declaration by the issuer attesting to the accuracy of information contained in the Schedule of Persons, made under full civil and criminal liability, in the event of the annulment of shares in the possession of shareholders and sale of own shares for the purpose of their allotment;
- 7) The Schedule of Persons in printed format certified by the issuer, except in the event of a capital decrease by means of the annulment of own shares.

[3] Information shall be submitted by commission in compliance with provisions of Section 23 of these Operating Rules.

### **Primary Sale of Financial Instruments in a Regulated Market or through an MTF**

60v. [1] In the event of a primary sale of financial instruments in a regulated market or through an MTF, the CSD member acting as corporate agent to the issuer, or issue agent, shall submit documentation pertaining to the registration of financial instruments in the issuing account of the issuer.

[2] Following the completion of the sale of the financial instruments in a regulated market or through an MTF, the regulated market or MTF shall submit to the CSD a proof-of-transaction document containing information on the purchasers of the financial instruments sold.

[3] Following the completion of the sale, the CSD member acting as corporate agent to the issuer, or issue agent, shall be required to submit to the CSD a report on the outcome of the public offering, together with proof of the delivery of that document to the Securities Commission.

[4] The CSD shall clear and settle financial instruments and cash on a DvP basis pursuant to the CSD Term Schedule Rulebook.

### **Transfer of Financial Instruments versus Payment**

61. [1] The CSD shall transfer financial instruments from one account into another at the same time that payment is made, i.e. on a DvP (Delivery versus Payment) basis, pursuant to financial instrument transfer orders and cash payment orders received through CSD members (depositories of financial instruments and cash of parties to the transaction) by the time limit stipulated in the orders and as envisaged in the CSD Term Schedule Rulebook.

[2] A regulated market or MTF shall provide the CSD with an electronic file containing information on transactions entered into involving financial instruments (proof of transaction). The CSD shall, pursuant to such proofs of transactions, transmit electronic messages to CSD members keeping financial instrument and cash accounts of both sellers and buyers. CSD members shall confirm the receipt of such messages by transmitting return electronic messages to the CSD.

62. [1] The CSD may amend the following data contained in a proof-of-transaction document provided by a regulated market or MTF at the duly reasoned request of the CSD member that is a party to the transaction made in writing:

- 1) Amount of commission charged by the investment firm that is a CSD member;
- 2) Number of financial instrument account (in case of error in code of CSD member keeping financial instrument account or type of financial instrument account of the client), excepting omnibus and custody accounts, or
- 3) Cash account (in case of error in code of CSD member keeping the client cash account).

[2] The manner of making changes to information contained in a proof-of-transaction document referred to in Paragraph [1] of this Section shall be regulated in detail in the CSD Term Schedule Rulebook.

[3] Where a seller does not possess sufficient financial instruments for sale in its account (such as where inappropriate financial instruments were sold in error, or where inaccurate seller data were entered), or where a buyer does not possess sufficient funds to complete a purchase of financial instruments, the CSD member acting as intermediary in such transaction shall be required to apply with the CSD for amendment of client data. The only change permitted shall be the replacement of the uniform identification number of the client (for brokerage transactions) with the uniform identification number of the CSD member acting as intermediary in the transaction (for dealer transactions).

63. [1] The following information may not be amended in proofs of transactions provided by the regulated market or MTF to the CSD:

- 1) Uniform identification number of buyer and seller, excepting in cases envisaged by Section 62, Paragraph [2];
- 2) ISINs of financial instruments, and
- 3) Quantity and price of financial instruments.

[2] Where the seller of financial instruments does not possess such financial instruments for sale in its financial instrument account (such as where inappropriate financial instruments were sold in error, or where inaccurate seller data were entered), or where a buyer does not possess sufficient funds to complete the purchase of financial instruments, and the CSD member acting as intermediary does not take the steps envisaged by Section 62, Paragraph [2], the CSD shall activate other emergency procedures.

[3] For transactions entered into in the regulated market or through an MTF, the CSD shall clear and settle financial instruments and cash at the date indicated by the parties to the transaction, as envisaged under the CSD Term Schedule Rulebook. Financial instruments shall be transferred from the seller to the buyer at the same time cash is transferred from the buyer to the seller on a DvP (Delivery versus Payment) basis.

[4] Where a person or an entity acquires a 5 percent interest in the equity of a bank or other participant defined as such by law by purchasing shares of such bank or other participant defined as such by law, such person or entity shall be required to provide approval of the National Bank of Serbia for such acquisition of holding in equity to the CSD member keeping the financial instrument account in question.

[5] Where a person or an entity acquires a qualifying holding in the equity of an investment firm, market operator or investment fund management company by purchasing shares of such company, such person or entity shall be required to provide consent of the Securities Commission for such acquisition of holding in equity to the CSD member keeping the financial instrument account in question.

64. [1] For transactions entered into in a regulated market or through an MTF, the (future) holder of financial instruments may sell such financial instruments before they have been cleared by the CSD, or before such financial instruments have been transferred into the proprietary financial instrument account of the holder with the same depositary that is a CSD member.

[2] The CSD shall verify the balances of financial instruments indicated in proof-of-transaction documents provided by regulated markets/MTFs. Where the potential balance is greater than or equal to the value of the financial instruments sold, the proof-of-transaction document shall be deemed to be accurate, and where the potential balance is lower than the value of the financial instruments sold an error shall be recorded and the investment firm notified to carry out emergency procedures or effect borrowing.

[3] Financial instrument transfer orders in relation to trading outside a regulated market or an MTF may not be input by means of the CSD client-side web application in the event that the seller is not in possession of sufficient financial instruments in its proprietary account, less the value of financial instruments in connection with transfer orders previously input and not yet settled.

[4] A CSD member may monitor the potential and actual balance (accounts receivable or payable) on behalf of its clients for a period ranging from T+0 to T+2.

## Trading in Financial Instruments outside Regulated Market or MTF

65. Debt financial instruments may be traded outside a regulated market or an MTF.

66. Financial instruments issued by the Republic of Serbia and the National Bank of Serbia may be traded outside a regulated market or an MTF.

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67. Shares shall be traded outside a regulated market or an MTF as provided for under legislation governing takeovers of joint-stock companies and the Companies Law in the following cases:

- 1) In the procedure of offer for the takeover of stock;
- 2) In an enforced share purchase procedure;
- 3) In exercising rights to sell shares;
- 4) In exercising the special rights of dissenting shareholders, and
- 5) In the process of acquiring/disposal own shares pro rata.

68. Shares issued by banks may be traded outside a regulated market or an MTF in the following cases:

- 1) Where the Republic of Serbia is the lawful holder of the shares ;
- 2) Where the Deposit Insurance Agency is the lawful holder of the shares ;
- 3) Where, pursuant to a contract made in writing, the Deposit Insurance Agency is authorised by lawful holders to sell shares to third parties for and on their behalf and account, and
- 4) In case of the sale of assets of banks in bankruptcy or liquidation, where the bankruptcy or liquidation proceedings are administered by the Deposit Insurance Agency.

69. Shares issued by insurance companies may be traded outside a regulated market or an MTF where the lawful holders of such shares authorise, pursuant to a contract made in writing contract, the Deposit Insurance Agency to sell the shares for and on behalf and account of the companies in question.

70. Shares issued by the CSD, stock exchange and other entities in the financial sector may be traded outside a regulated market or an MTF where the Republic of Serbia is the lawful holder of the shares in question, or where the lawful holders authorise, pursuant to a contract made in writing, the Republic of Serbia to sell the shares for them and on their behalf and account.

71. The following shares of joint-stock companies may be traded outside a regulated market or an MTF:

- 1) Shares transferred to the Share Fund, or to the Privatisation Agency or the competent Ministry, as well as the shares of individual share-holders that have pooled their shares with those owned by the Share Fund or the Privatisation Agency or the competent Ministry, and are offering them for sale simultaneously with the Share Fund or the Privatisation Agency or the competent Ministry;
- 2) Shares where the lawful holder is the National Pension Fund;
- 3) Shares where the lawful holder is the National Development Fund, and
- 4) Shares where the lawful holder is the Republic of Serbia.



72. [1] Shares of joint-stock companies (unlisted joint-stock companies, listed joint-stock companies in liquidation, and joint-stock companies whose shares may be traded outside a regulated market or an MTF pursuant to the law may be traded outside a regulated market or an MTF).

[2] An investment firm shall input transfer orders for financial instruments traded in the OTC market by means of the CSD client-side web application pursuant to the following documents:

- 1) Purchase agreement certified as envisaged by legislation governing the certification of signatures;
- 2) Transfer order certified by the issuer;
- 3) Certificate issued by the CSD member confirming the purchaser of financial instruments is in possession of the required funds;
- 4) Certificate issued by the competent body of the joint-stock company attesting that the procedure provided for under the Articles of Incorporation of that company (right of pre-emption) has been complied with or that unrestricted conveyance of shares has been provided for under the Articles of Incorporation.

73. [1] Shares offered by their lawful holder-seller on the basis of the prospectus approved for public offering may be traded outside a regulated market or an MTF.

[2] A CSD member maintaining the securities account of the lawful holder-seller shall file with the CSD for the transfer of securities into the account of a lawful holder-buyer, as well as submit the report on the outcome of public offering, along with the proof that this document has been submitted to the Commission for Securities. A CSD member shall register the securities and cash proceeds transfer order by means of the CSD client-side web application.

74. [1] Where a purchase or sale of debt securities is performed by the Republic of Serbia or the National Bank of Serbia, they shall submit an electronic file of closed transactions to the CSD.

74a. [1] The CSD shall use electronic files or electronic orders for transactions entered into outside the regulated market or an MTF to generate electronic messages which it shall transmit to CSD members that are parties to such transactions, which shall be required to confirm the receipt of such messages pursuant to the CSD Term Schedule Rulebook.

[2] The CSD shall clear and settle such transactions on a DvP basis as of the date entered into the order.

### **Repo Transactions**

75. [1] A repo transaction shall be defined as the purchase or sale of financial instruments pursuant to a repo contract, under which one party ('the repo seller') agrees to sell financial instruments to the other party ('the repo purchaser') which in turn agrees to pay the purchase price to the repo seller, whereas the repo-purchaser undertakes to sell, on the day of repurchase, financial instruments envisaged under the repo contract to the repo seller. The repo seller shall pay the previously agreed repurchase price on the day of repurchase.

[2] Financial instruments shall be transferred under a repo contract from the financial instrument account of the repo seller into the re financial instrument account of the repo purchaser pursuant to a certified contract and financial instrument transfer order authorised by the entity performing the transfer in question (the repo seller). A CSD member that maintains the financial instrument

account of the repo seller shall input the transfer order electronically, by means of the CSD client-side web application. The CSD shall, pursuant to the registered transfer order, exchange notifications with parties to the transaction electronically. The members in question shall confirm the receipt of the electronic notifications.

76. [1] The Republic of Serbia and the National Bank of Serbia shall perform repurchase transactions involving financial instruments in compliance with regulations. Page | 58

[2] After the completion of repo trading, the Republic of Serbia and the National Bank of Serbia shall submit to the CSD the electronic file containing information on each repo transaction entered into. The CSD shall forward notifications in electronic form to parties to transactions, who shall, in turn, confirm the receipt of such notification.

77. In repo transactions, the CSD shall clear and settle financial instruments and cash proceeds as of the date initiated by the parties to the transaction, pursuant to the CSD Term Schedule Rulebook. Financial instruments shall be transferred from the repo seller to the repo purchaser simultaneously with the transfer of cash from the repo purchaser to the repo seller on a DvP (Delivery versus Payment) basis.

78. [1] The repo purchaser should have financial instruments that were the object of repo trading in its account on the day of repurchase, while the repo seller should provide funds to pay for them.

[2] On the day of repurchase, and upon the payment of funds by the repo seller, the CSD shall notify participants in the transaction electronically; these shall, in turn, confirm the receipt of such notifications. The CSD shall clear and settle these securities on a DvP basis upon confirmation and payment.

[3] The CSD shall not be liable to the repo seller or repo purchaser for any damage arising from unfulfilled obligations under a repo contract or from any failure of any CSD member representing any party to a repo transaction.

## **IX. SHARE TAKEOVER OFFERS**

79. [1] A share takeover offer shall be defined as a public offering to all shareholders of an target joint-stock company for the purchase of all voting shares, under conditions and in the manner stipulated by the Law on the Takeover of Joint-Stock Companies.

[2] The offeror shall enter into contract with a CSD member on the maintenance of the deposited securities account of the offeror and on administration of the share takeover offer.

[3] Any CSD member acting for and on behalf and account of an offeror (an agent of the offeror) shall submit the following documents to the CSD:

- 1) Application for announcing the share takeover offer;
- 2) Approval of the share takeover offer issued by the Securities Commission;
- 3) Text of the takeover offer in both electronic form and hard copy (certified by authorised persons of the offeror and the CSD member acting as agent),

4) Abbreviated version of the takeover offer in both electronic and printed form (certified by authorised officers of the offeror and the CSD member acting as agent);

5) Notice of recourse to the exemption from the requirement to publish a prospectus as envisaged by provisions of legislation governing the capital market, in the event payment is made in other securities.

[4] The CSD shall display the announcement and text of the share takeover offer on its website upon being approached to do so by the CSD member acting as agent for the offeror.

[5] Provisions of Paragraph [2] of this Section shall apply in the case of a competing offer or modification of the share takeover offer.

[6] The CSD member acting as agent for the offeror shall immediately notify the CSD of any modification to the offer.

[7] In case of a competing offer, the period for the submission of the original offer shall be extended up to the date of expiry of any competing offers. If the modification of the share takeover offer is publicly announced, the term of the original offer shall be extended to seven days, while the overall term of the offer must comply with the provisions of the law governing the takeover of joint-stock companies.

80. The CSD shall issue single shareholder records, including identification number, name, and address of each shareholder, upon the request of any CSD member acting as agent for the offeror, and in order to notify the shareholders of the share takeover offer.

81. [1] Lawful holders of securities shall issue deposit orders to CSD members maintaining their proprietary accounts in case they decide to accept the public invitation for the takeover of shares.

[2] Shareholders who have transferred their shares into a deposited securities account may issue orders for the withdrawal of the shares from the deposited securities account on each working day during the term of the initial offer.

[3] CSD members may forward to the CSD notifications in electronic form, containing orders for deposit of shares or withdrawal of deposited shares, continually during the term of the share takeover offer.

[4] Pursuant to transfer orders received, the CSD shall transfer securities from the proprietary accounts of shareholders into the deposit account of offerors, or vice versa, where shareholders opt to revoke their share deposits.

82. [1] Pursuant to the law governing the takeover of joint-stock companies, a share takeover offer shall be deemed successful and completed if on the closing date of the offer the deposited securities account contains at least the amount of securities indicated in the share takeover offer as the minimum quantity of shares that the offeror intends to purchase. If the quantity of deposited shares is greater than the quantity of shares on offer, the offeror shall be required to purchase all the shares deposited.

[2] Pursuant to the law governing the takeover of joint-stock companies, a share takeover offer shall be deemed unsuccessful if on the closing day of the offer the quantity of shares deposited is lower than the minimum quantity of shares offered in the share takeover offer. In this event, the CSD shall transfer the deposited shares from the deposited securities account into

proprietary financial instrument accounts of the shareholders who had deposited the shares in question.

[3] Paragraphs [1] and [2] of this Section shall also apply to a conditional offer for the takeover of shares in which the offeror has clearly indicated the minimum amount of voting shares which the offeror intends to acquire through the share takeover offer.

[4] In case of an unconditional share takeover offer, the offeror shall purchase all shares offered for the takeover.

[5] The CSD shall display on its website all data pertaining to takeover offers for joint-stock companies successfully entered into, as well as on unsuccessful conditional share takeover offers.

83. [1] Where a share takeover offer has been withdrawn, the CSD member acting as agent for the offeror shall notify the CSD on the withdrawal of the offer in both hard copy and electronic form. The CSD shall display the information on the withdrawal on its website upon request of the agent of the offeror.

[2] A CSD member shall input the data pertaining to the withdrawal of the share takeover offer by means of the CSD client-side web application. The CSD shall transfer deposited shares from the deposited securities account into proprietary financial instrument accounts of the shareholders that had deposited the shares in question.

84. [1] Where a share takeover offer has been withdrawn pursuant to a decision of the Securities Commission, the CSD shall act accordingly and transfer the deposited shares from the deposited securities account into proprietary accounts of the shareholders who had deposited the shares in question.

[2] Where a share takeover offer has been withdrawn pursuant to a decision of the Securities Commission in the period from T+0 to T+2, the CSD shall cancel electronic messages and shall transfer the deposited securities into proprietary accounts of shareholders who had deposited the shares in question.

85. [1] On the closing date of the share takeover offer, the CSD member maintaining the deposited securities of the offeror shall forward to the CSD an electronic file for closing the share takeover offer, which shall contain data about the purchasing offeror, the number of shares involved in the takeover, and the price per each share.

[2] Where a share takeover offer has been completed successfully, the CSD shall forward electronic notifications containing data on deposited shares to CSD members maintaining proprietary financial instrument accounts and cash accounts of the sellers and the purchasing offeror.

[3] Where the share takeover offer has been completed on a non-working day (Saturday, Sunday, or national or religious holiday designated a non-working day by law), the closing day for the share takeover offeror shall be moved to the first next working day.

[4] Payment pursuant to a successfully closed share takeover offer may be made either in cash or in financial instruments.

[5] The CSD shall close the deposited securities account or deposit account following the settlement of the securities and cash, as well as in the event of a failed offer.

86. Where payment is in financial instruments (made in whole or in part), the CSD shall open and maintain the financial instrument deposit account of the offeror on which financial instruments are deposited and that will be used for payment under a share takeover offer. Financial instruments shall be deposited into the deposit account pursuant to a transfer order certified by an authorised officer of the offeror or a CSD member acting as agent for the offeror. The offeror may not use these financial instruments during the term of the share takeover offer.

87. [1] On the closing date of the share takeover offer, the CSD shall forward electronic messages to parties to the share takeover offer procedure. CSD members shall be required to respond to these messages. The CSD shall perform clear and settle these transactions according on a DvP (Delivery versus Payment) basis, as provided for in the CSD Term Schedule Rulebook.

[2] If payment is made in financial instruments, the CSD member acting as agent for the offeror shall forward to the CSD orders for the transfer of financial instruments from the deposit account of the offeror into proprietary financial instrument accounts of the seller shareholders.

## **X. ACQUISITION OF OWN SHARES**

88. [1] A joint-stock company which intends to acquire its own shares by tendering to all shareholders, pursuant to provisions of the Companies Law, shall submit the following documents to the CSD through a CSD member:

- 1) Decision of the joint-stock company on the acquisition of its own shares;
- 2) Text of the offer for the acquisition of own shares in both hard copy and electronic form;
- 3) Approval of the National Bank of Serbia, where a bank intends to acquire its own shares;
- 4) [Deleted]
- 5) Proof of the opening of a deposited securities account where the shares offered in an offer are to be deposited, and
- 6) Proof of possession of cash assets or bank guarantees.

[2] Where a joint-stock company acquires its own shares for distribution to staff of the company or an associated entity or to reward members of its Board of Directors or its Executive Board or Supervisory Board, up to a quantity of 5 percent of any class of shares in the course of one business year, the decision of the Annual General Assembly of the joint-stock company or Board of Directors or Supervisory Board (where the Articles of Association of the company allow the Board of Directors or Supervisory Board to make such decision) must contain list of persons to receive such own shares. The joint-stock company shall accompany this decision by an attestation to the effect that reserves have been set aside for this purpose.

[3] The text of an offer for the acquisition of own shares shall contain the following information:

- 1) Type, class and quantity of shares that a joint-stock company intends to acquire;
- 2) Price per share;
- 3) Form and time limit for payment, and

4) Term of validity of offer that may not be shorter than 15 days.

[4] The CSD shall display the announcement and text of the offer for acquiring own shares on its website upon being approached to do so by the CSD member handling the transaction.

[5] Lawful holders of shares that the offer for the acquisition of own shares relates to may deposit shares within the period set in the offer by ordering their transfer into a deposited securities account; this order may also be withdrawn by issuing an order for transfer from the deposited securities account during the term of the offer for acquisition of own shares.

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89. [1] Where, after the expiry of the time period for the acquisition of own shares, the amount of deposited shares exceeds that indicated in the offer, and where the offering joint-stock company accepts the excess of deposited shares, such joint-stock company shall be required to provide the CSD with proof, through a CSD member and along with notification made in writing, of the possession of additional assets or a bank guarantee necessary for payment for the excess deposited shares.

[2] Where the joint-stock company refuses to accept an excess of deposited shares, the CSD shall transfer such excess shares from the deposited securities account of the joint-stock company proportionately to each member who had deposited shares. When calculating the quantity of shares, the total quantity of shares shall be taken proportionately from each shareholder who had deposited the shares. In case of a relatively proportionate return of excess shares relative to the amount deposited, the CSD may issue correction orders for determining the exact quantity of shares that a joint-stock company intends to take over.

[3] In case of modification of an offer for the acquisition of own shares (modified price, time limit for or duration of acquisition), documents must be submitted as envisaged by Section 88 of these Operating Rules.

90. [1] On the closing day of the offer for the acquisition of own shares, the CSD shall forward electronic notifications to CSD members maintaining financial instrument accounts and cash accounts of clients. CSD members shall confirm the receipt of these notifications to CSD in electronic form.

[2] The CSD shall be tasked with clearing and settlement on a DvP basis and pursuant to the CSD Term Schedule Rulebook.

90a. [1] The CSD shall close the deposited securities account following the settlement of securities and cash pursuant to an offer for the acquisition of own shares.

[2] The deposited securities account shall also be closed in the event of a failed offer for the acquisition of own shares.

90b. The CSD shall publish information on successfully completed offers for the acquisition of own shares on its website.

90v. In the event that a public joint-stock company acquires own shares, the total nominal value, or book value for shares with no nominal value, of the shares so acquired, including previously acquired own shares, in accordance with the law governing companies, must not exceed 10 percent of the capital stock of the company.

## **XI. PURCHASE OF SHARES FROM DISSENTING SHAREHOLDERS**

91. [1] For the purpose of purchasing shares from dissenting shareholders, the corporate agent of the issuer shall input share transfer orders by means of the CSD client-side web application pursuant to the following documents:

- 1) Application by the joint-stock company for pay-out of dissenting shareholders;
- 2) Application by a dissenting shareholder for the exercise of their entitlement to pay-out;
- 3) Certificate issued by the CSD member maintaining the cash account of the joint-stock company attesting that cash has been secured to pay for the shares held by the dissenting creditors.

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[2] The CSD shall settle the securities and cash proceeds on a DvP basis pursuant to the application and information submitted.

[3] Cash shall be transferred to CSD members maintaining financial instrument accounts of dissenting shareholders in which the shares subject to the purchase are registered.

91a. For the purpose of transferring shares from a dissenting shareholder to the issuer pursuant to a court ruling, where cash has previously been transferred to the dissenting shareholder, the dissenting shareholder or issuer shall submit the following documents via a CSD member:

- 1) Application for transfer of shares from the dissenting shareholder to the issuer;
- 2) Order for transfer of shares from the proprietary financial instruments account of the dissenting shareholder to the proprietary financial instruments account of the issuer, certified by the dissenting shareholder;
- 3) Court ruling in question;
- 4) Proof of payment of cash by the issuer into the account of the dissenting shareholder.

## **XII. REDUCTION IN THE AUTHORISED CAPITAL OF A JOINT-STOCK COMPANY**

92. [1] A joint-stock company shall apply for a reduction in its authorised capital with the CSD, via a corporate agent, in the event of:

- 1) Withdrawal and annulment of shares in the possession of shareholders;
- 2) Annulment of the own shares of the joint-stock company;
- 3) Reduction in the face value of shares or of book value in the case of shares with no face value.

[2] The application shall be submitted to the CSD within five working days of the registration of the decision on the decrease in authorised capital as envisaged by legislation governing registration.

93. [1] Where the number of shares is reduced due to the withdrawal or annulment of shares in the possession of shareholders, the joint-stock company shall submit the following documents via a corporate agent:

- 1) Application by the joint-stock company for a decrease in authorised capital by withdrawal and annulment of shares in the possession of shareholders;
- 2) Decision on decrease in authorised capital by withdrawal or annulment of shares made by the General Meeting of the company in question;
- 3) Procedural decision of the Business Registers Agency on the registration of the decision on decrease in authorised capital;
- 4) Orders for the transfer of shares from shareholders' financial instrument accounts submitted electronically (on a CD), whereby the submission shall be performed by a commission, as envisaged by Section 60b of these Operating Rules;
- 5) Declaration of compliance with statutory requirements for a decrease in authorised capital made by:
  - The Managing Director or Chairperson of the Board of Directors of a single-tier company;
  - The Managing Director or Chairperson of the Executive Board and Chairperson of the Supervisory Board of a two-tier company;
- 6) Record of co-owners of shares pursuant to Section 32 of these Operating Rules, in the event that some shareholders are to acquire title to a fraction of one share or in the event that some shares subject to withdrawal and cancellation are maintained in a co-ownership account.

[2] In the event of a decrease in authorised capital that a company is required to perform in compliance with creditor safeguards of the Companies Law, after the expiry of the continuous three-month notice period for the decision on the decrease in authorised capital prescribed by the Business Registers Agency, the joint-stock company shall accompany the documents referred to in Paragraph [1] of this Section submitted to the CSD by the following documents:

- 1) Proof of publication of the decision on decrease in authorised capital;
- 2) Declaration of compliance with statutory requirements for the decrease in authorised capital in connection with creditor safeguards as envisaged by Article 322 of the Companies Law.

[3] The documentation referred to in Paragraph [1], Items 2) and 3) of this Section shall not be submitted in the event of a capital reduction due to the separation of the company (separation by the formation of a new company, separation by merger, and mixed separation).

[4] Pursuant to the application and documents, the CSD shall annul shares held by shareholders within three working days of receiving such duly submitted application.



94. [1] Where the number of shares is reduced upon the annulment of the own shares of a joint-stock company, the company shall submit the following documents to the CSD via a corporate agent:

- 1) Application by the joint-stock company for decrease in authorised capital by annulment of own shares;
- 2) Decision of the joint-stock company on decrease in authorised capital by annulment of own shares;
- 3) Procedural decision of the Business Registers Agency on registration of the decision to decrease authorised capital;
- 4) Declaration of compliance with statutory requirements for a decrease in authorised capital as envisaged by Section 93 Paragraph [1] Item 5) of these Operating Rules;
- 5) Orders for the transfer of own shares of a joint-stock company into the issue closing account.

[2] Provisions of Section 93 Paragraph [2] of these Operating Rules shall apply in the event of the decrease in authorised capital that a company is required to perform in compliance with creditor safeguards of the Companies Law.

[3] Pursuant to the application and documents, the CSD shall annul own shares of a joint-stock company within three working days of receiving such duly submitted application.

95. In case of a reduction in the face value of shares, or of book value of shares holding no face value, the joint-stock company in question shall submit the following documents to the CSD via a corporate agent:

- 1) Application by the joint-stock company for a decrease in capital by a reduction in the face value of shares, or of book value of shares holding no face value;
- 2) Application for assignment of CFI code and ISIN;
- 3) Application for registration of the issue in the issue account of the issuer;
- 4) Decision by the General Assembly of the company;
- 5) Procedural decision of the Business Registers Agency on the registration of the capital decrease decision;
- 6) Declaration of compliance with statutory requirements for capital decrease referred to in Section 93 Paragraph [1] Item 5) of these Operating Rules.

[2] Provisions of Section 93 Paragraph [2] of these Operating Rules shall apply in the event of a decrease in authorised capital that a company is required to perform in compliance with creditor safeguards of the Companies Law.

[3] No Schedule of Persons shall be submitted as there will be no change in the number of shares in the possession of lawful holders.

[4] The documentation referred to in Paragraph [1], Items 4) and 5) of this Section shall not be submitted in the event of a capital reduction due to the separation of the company (separation by the formation of a new company, separation by merger, and mixed separation).

[5] Pursuant to the application and documents, the CSD shall decrease the capital of the joint-stock company by reducing the face or book value of shares within three working days of receiving such duly submitted application.

95a. In the event of a simultaneous capital decrease and capital increase, the corporate agent shall submit documents as envisaged by these Operating Rules, depending on the manner in which the capital is increased and decreased.

96. [1] In the event of the withdrawal and annulment of shares due to a failure to make payment or contribution, the joint-stock company shall submit the following documentation to the CSD via a corporate agent:

- 1) Application for withdrawal and annulment of shares;
- 2) Decision on withdrawal and annulment of shares;
- 3) Procedural decision of the Business Registers Agency registering the decision on withdrawal and annulment of shares;
- 4) Schedule of Persons whose shares are to be withdrawn and annulled.

[2] Pursuant to the application and documents, the CSD shall annul shares not paid-in in full, or shares for which the non-cash contribution was not made, within three working days of receiving such duly submitted application.

### **XIII. COMPULSORY PURCHASE OF SHARES AND ENTITLEMENT TO PURCHASE OF SHARES**

#### **Compulsory Purchase of Shares**

97. Where the General Meeting, acting on the motion of a shareholder holding at least 90 percent of the authorised capital of a joint-stock company and controlling at least 90 percent of the votes of all shareholders holding ordinary shares ('the purchaser'), decides in favour of an enforced purchase of all shares belonging to the remaining shareholders, regardless of any encumbrances, limitations, and third-party interests in such shares, the purchaser shall submit the following documents to the CSD via a corporate agent:

- 1) Request for compulsory purchase of shares;
- 2) Decision of the General Meeting on compulsory purchase of shares, within five working days of registration;
- 3) Procedural decision of the Business Registers Agency registering such decision;
- 4) Declaration of the purchaser regarding persons connected with the purchaser for a period of at least one year prior to the enactment of the decision on compulsory purchase of shares;

- 5) Certificate issued by the CSD member attesting that cash has been secured by the purchaser for the purchase of the shares held by the remaining shareholders, within three working days of the submission of the decision thereon adopted by the General Meeting;
- 6) Notification of the compulsory purchase of shares in electronic and printed format, published by the CSD on the website of the CSD.

98. Where the purchaser has met the requirement for the compulsory purchase of shares by means of a share takeover offer, the issuer may, on behalf of the purchaser, apply with the CSD for compulsory purchase of shares under conditions cited in the takeover offer within three months of the expiry of the share takeover offer.

99. [1] The CSD shall publish a notice of the commencement of the compulsory purchase procedure on its website on the working day immediately following the day of receipt of a duly submitted compulsory purchase application.

[2] On the working day immediately following the day of notification, the corporate agent of the issuer shall input the electronic order by means of the client-side CSD web application and confirm the compulsory purchase procedure. The CSD shall generate electronic messages and transmit such messages to:

- 1) CSD members maintaining financial instrument accounts of shareholders whose shares are subject to the compulsory purchase;
- 2) CSD member maintaining the cash account of the purchaser;
- 3) CSD member maintaining the financial instruments account of the purchaser.

99a. [1] The CSD shall clear and settle the shares on a DvP (Delivery versus Payment) basis, as provided for under the CSD Term Schedule Rulebook.

[2] Cash shall be transferred to CSD members maintaining financial instruments accounts of shareholders in which shares subject to the compulsory purchase are registered.

[3] For clients whose shares are maintained in a suspense account with the CSD, the CSD shall transfer cash to the CSD member acting as corporate agent for the issuer.

[4] The CSD shall transfer shares to the purchaser free of any encumbrance, prohibition on disposal, limitation, or third-party interest in such shares.

99b. [1] In the event of a compulsory purchase of pledged shares initiated by the pledgee, the CSD shall pay the cash proceeds of the compulsory purchase of such pledged shares into the account of the member that initiated the sale at the application of the pledgee.

[2] In the event of a compulsory purchase of pledged shares not initiated by the pledgee, the CSD shall pay the cash proceeds of the compulsory purchase of such pledged shares into the account of the member maintaining the securities account of the pledger.

[3] In the event of a compulsory purchase of shares held by shareholders whose registration data are incomplete or erroneous, the CSD shall pay the sum of the cash proceeds of the purchase into the account of the corporate agent of the issuer.

[4] In the event of a compulsory purchase of shares subject to a registered pledge or ban on disposal or an injunction pursuant to a decision of a competent authority, the CSD shall transfer the cash proceeds of such purchase to the corporate agent of the issuer.

99v. [1] The CSD shall notify the corporate agent of the issuer of the identity of the competent authority at the application of which a pledge or ban on disposal or injunction has been registered on shares subject to the compulsory purchase for the purpose of the transfer of the proceeds to such authority.

[2] The CSD shall simultaneously notify the competent authority at the application of which a pledge or ban on disposal or injunction has been registered on shares subject to the compulsory purchase of the transfer of such shares following their compulsory purchase, and shall also notify such authority of the identity of the corporate agent of the issuer into whose account the cash proceeds of the compulsory purchase have been transferred.

99g. [1] In the event that a CSD member receiving the cash proceeds of the compulsory purchase of shares is unable to ascertain information regarding shareholders, such member shall be required to repay the undistributed portion of the cash proceeds to the corporate agent of the issuer within 10 days of the settlement of the compulsory purchase and provide a schedule of the shareholders and amounts of proceeds not paid.

[2] In the event that the corporate agent of the issuer is also unable to distribute the cash proceeds to the appropriate shareholders, such issuer shall be required to repay the undistributed portion of the cash proceeds to the purchaser within 15 days of the settlement of the compulsory purchase and provide a schedule of the shareholders and amounts of proceeds not paid.

[3] In the event that the corporate agent of the issuer is unable to transfer the cash proceeds of a compulsory purchase of shares subject to a pledge or ban on disposal or injunction of an authority to such authority, the corporate agent shall be required to repay the undistributed portion of the cash proceeds to the purchaser within 30 days of the settlement of the compulsory purchase and provide a schedule of the shareholders and amounts of proceeds not paid and simultaneously notify the competent authority thereof.

### **Entitlement to Sale of Shares**

100. [1] A controlling shareholder that has acquired shares constituting at least 90 percent of the authorised capital of a joint-stock company and controlling at least 90 percent of the votes of all shareholders holding ordinary shares shall be required to purchase the shares of each of the remaining shareholders upon their request made in writing.

[2] The CSD member maintaining the financial instruments account of the shareholder shall administer the entitlement procedure pursuant to an application thereto and the following documents:

- 1) Application for the sale of shares made with the joint-stock company;
- 2) Order for transfer from the proprietary account of the shareholder into the proprietary financial instruments account of the controlling shareholder, certified by the shareholder as envisaged by Section 4 of these Operating Rules;
- 3) Certificate of the joint-stock company attesting to the price set for its shares, as envisaged by law, or court ruling, where the company has not set the price;

- 4) Certificate issued by a bank that is a CSD member attesting that cash has been secured by the controlling shareholder for the purchase of shares from the remaining shareholders.

101. Where the controlling shareholder has acquired, on the basis of a share takeover offer, at least 90 percent of the authorised capital of the joint-stock company, and holds at least 90 percent of the votes of all shareholders holding ordinary shares, the remaining shareholders shall be entitled to sell their shares under conditions laid out in the takeover offer, within three months of the closing date for the takeover of shares.

102. The CSD shall forward notifications in electronic form to all parties to the transaction pursuant to orders input. The CSD shall clear and settle securities on a DvP (Delivery versus Payment) basis on the date indicated in the transfer order.

### **XIII a. PAYMENT OF DIFFERENCE IN SHARE PRICE**

102a. The CSD shall pay out the difference in the price of shares in the event that a final court ruling obliges the purchaser of such shares to pay the difference up to the full price of such shares, or in the event that the offeror is obligated by law to pay the difference in price. The CSD member handling the transaction shall provide the following documentation:

- 1) Application by the paying party to effect payment of difference in share price;
- 2) Document establishing the difference in the price of shares of the company, as provided for by law (final court ruling, statement made by issuer under full civil and criminal liability, or other document pertaining to the difference in the price of shares that incontrovertibly establishes the amount of and grounds for payment);
- 3) Certificate issued by the CSD member handling the transaction attesting that sufficient funds have been secured for payment to be effected;
- 4) Information on members (cash depositaries) keeping cash accounts of clients that are to receive payment of the difference in the price of shares;
- 5) List of persons that are to receive payment of difference in the price of shares, submitted in electronic format (on a CD), whereby both the CD and the list in paper format must be certified by an authorised officer of both the CSD and the paying party.

### **XIV. DISPOSAL OF OWN SHARES**

103. [1] When the sale (disposal) of own shares is performed through an offer made to all shareholders exercising priority registration rights pursuant to provisions of the Companies Law, the issuer of the shares shall submit, through a CSD member, the following documents to the CSD:

- 1) Application made in writing;
- 2) Decision of the joint-stock company on the sale (disposal) of its own shares;
- 3) Text of the sale (disposal) offer (in both hard copy and electronic format).

[2] The offer for sale (disposal) of own shares shall be published by the CSD on its website.

[3] Lawful holders of shares to which the offer of sale (disposal) of own shares pertains may register and pay in the shares within a period set in the offer by making a share purchase order. The CSD member with which the shares were registered shall forward the electronic file containing such share purchase order to the CSD.

[4] Clearing and settlement on a DvP basis shall be carried out in accordance with the CSD Term Schedule Rulebook.

104. If own shares are disposed of for the purpose of distributing assets among the employees of the joint-stock company or connected company, or for rewarding members of the Board of Directors or Executive or Supervisory Boards in line with the provisions of the Companies Law, the issuer shall submit the following documents to the CSD via a CSD member:

- 1) Application for the sale (disposal) of own shares filed by the CSD member, stating the grounds for the acquisition of own shares;
- 2) Decision on the disposal of own shares as provided for under the provisions of the Companies Law;
- 3) Statement issued by the joint-stock company that its own shares are being disposed to entities listed in the decision on the acquisition of such shares;
- 4) Order for transfer of own shares of the joint-stock company, where such orders are submitted in electronic form (on a CD), whereby the transfer shall be carried out by a commission and in the manner set forth in Section 60b of these Operating Rules.

#### **XIV a. TRANSFER OF TITLE TO SHARES PURSUANT TO AGREEMENT ON SALE OF EQUITY UNDER PRIVATISATION LAW**

104a. [1] The CSD shall transfer title to shares pursuant to an agreement on the sale of equity under the Privatisation Law. A CSD member acting for and on behalf of the seller of shares in the sale of equity of an entity subject to privatisation shall be required to provide the following documentation to the CSD:

- 1) Application for settlement of financial instruments and cash;
- 2) Agreement on the sale of equity of the entity subject to privatisation;
- 3) Certificate issued by the CSD member representing the purchaser of equity attesting that sufficient funds have been secured to effect the transaction;
- 4) Signed and certified DvP transfer order;
- 5) Authorisation for the person signing the transfer order.

[2] The CSD shall clear and settle the financial instruments in question on a DvP basis in accordance with the Term Schedule Rulebook.

[3] As provided for under the Privatisation Law, the CSD shall *ex officio* constitute a pledge to the benefit of the Privatisation Agency immediately upon transferring equity of the entity subject to privatisation to the purchaser of such equity.

## **XV. POOLING OF SHAREHOLDER SHARES WITH PACKAGE OF SHARES OWNED BY SHARE FUND OR PRIVATISATION AGENCY OR THE COMPETENT MINISTRY**

105. A CSD member acting for and on behalf of its client (Share Fund, Privatisation Agency, or the competent Ministry) shall file with the CSD an application for the pooling (depositing) of shareholders' shares with the Share Fund, Privatisation Agency, or the competent Ministry and shall submit the following documents: Page | 71

- 1) Contract on the provision of services in preparation and realization of pooling offer entered into between the Share Fund, Privatisation Agency, or the competent Ministry and the CSD member;
- 2) Application filed by the CSD member for the opening of the pooling account (depositing account);
- 3) Public offering for the pooling of shares made in writing and certified by the authorised officers, and
- 4) Text of the pooling offer in both hard copy and electronic form.

[2] The CSD shall publish the text of the offer for disposal (depositing) of shares on its website. CSD members shall inform thereof any shareholders the share pooling offer refers to that have contracted such members to open and maintain securities accounts.

106. Lawful holders of shares the share pooling (depositing) offer refers to may deposit such shares within a period determined in the offer, by making a transfer order with a CSD member, or by making a withdrawal order should they decide not to pool their shares. Lawful holders may not make withdrawal orders following the expiry of the time limit for depositing shares.

107. Where the Share Fund or the competent Ministry enter into a purchase contract with a purchaser, the CSD member handling the transaction shall submit such contract to the CSD. In addition to the contract, the CSD member shall also file an application indicating the date of settlement of the transaction.

108. The CSD shall notify CSD members participating in the sale of shares by means of pooling via E-mail. The CSD members shall confirm the receipt of such electronic notification. The CSD shall transfer the securities and cash on a DvP basis on the date of settlement, as provided for under the CSD Term Schedule Rulebook.

108a. The CSD shall publish information on successfully completed share pooling offers on its website.

108b. The CSD shall close the deposited securities account following the settlement of securities and cash pursuant to a successfully completed share pooling offer or the transfer of shares from the deposited securities account to the proprietary accounts of the shareholders.

108v. Where no sale and purchase agreement is entered into between the Share Fund or the relevant Ministry and the purchaser and the share pooling procedure is deemed to have failed, the CSD member shall forward the written request of the Share Fund or the relevant Ministry

for the return of shares from the deposited securities account to the proprietary accounts of the shareholders that ordered the shares to be deposited.

## **XVI. PLEDGE RIGHT OF PLEDGE**

109. [1] The CSD shall maintain the Register of pledges over Financial Instruments and shall register, amend, erase, and activate registered pledges. Page | 72

[2] Multiple pledges may be constituted over one financial instrument.

[3] The legal grounds for the registration of a pledge over financial instruments may be a decision of the court, a public enforcement officer, or other body, a pledge agreement excepting financial collateral agreements, and any other legal grounds as provided for by law.

[4] A pledge over financial instruments shall be constituted at the time it is registered with the Register of pledges.

[5] As of the time the pledgee (pledge creditor) or enforcement creditor acquires a pledge in a financial instrument, such pledge or enforcement creditor shall also become entitled to recovery from such financial instrument.

[6] Where a pledge over the same financial instruments has been registered in favour or multiple pledge or enforcement creditors, their priority in recovery shall be determined by the time of receipt (day, hour and minute) of their application to have such pledge registered with the Register of pledges.

[7] The CSD shall maintain a record of the time (day, hour, and minute) of the receipt of applications for registration with the Register of pledges.

[8] A pledge over a financial instrument shall operate with respect to third parties as of the date of registration with the Register of pledges.

### **Register of pledges**

110. [1] The CSD shall register with the Register of pledges any pledges constituted pursuant to agreements as well as pledges of enforcement creditors over financial instruments that are the subject of enforcement, and shall also register a ban on the disposal of such financial instruments.

[2] The Register of pledges shall contain:

- 1) Information about the pledgor and debtor, if different, as well as information about the pledge creditor or the authorised person of the pledge creditor;
- 2) Information relevant for the identification of the financial instruments that are subject to the pledge;
- 3) Information about the amount of the secured claim or information about the ceiling of a future or conditional claim; and
- 4) Information about any dispute in relation to the pledge or collateral.

[3] The CSD shall populate the Register of pledges with the following information:

- 1) Name of authority that adopted the enforcement ruling, if any;



- 2) Filing number of enforcements ruling or agreement;
- 3) Date of the enforcement ruling or agreement;
- 4) Company number and name of issuer of the financial instruments in question;
- 5) CFI and ISIN of the financial instruments in question;
- 6) Quantity of the financial instruments in question;
- 7) Company or national identification number, trading name or first and last name, and permanent address or registered office address of the debtor and pledgor, if different;
- 8) Company or national identification number, trading or first and last name, and permanent address or registered office address of the pledgee;
- 9) Amount of the claim secured;
- 10) Company or national identification number, trading or first and last name, and permanent address or registered office address of the authorised person of the pledgee, if any; and
- 11) Annotation of any disputes in connection with the pledge or collateral.

[4] For Serbian natural persons, the data subject to registration shall be first and last name, national identification number, and place of temporary or permanent residence, whilst for foreign natural persons the data subject to registration shall be first and last name and passport number and country of issue.

[5] For Serbian legal persons, the data subject to registration shall be company number and registered office address, whilst for foreign legal persons the data subject to registration shall be trading name, registered office address, registration number with the foreign business register, and country of registration.

[6] The CSD shall also register any and all changes to registered data with the Register of pledges.

### **Information Contained in the Register of pledges Subject to Publication**

111. The CSD shall publish the following information contained in the Register of pledges on its website:

- 1) First and last name of the debtor or pledgor;
- 2) Type and quantity of the financial instruments subject to the pledge;
- 3) Amount of the claim secured; and
- 4) Annotation of any disputes in connection with the pledge or collateral.

### **Registration of Contractual Pledge**

112. [1] The pledgee, debtor, or pledgor, if different, shall apply with the CSD for registration of a pledge in the Register of pledges and shall accompany such application with:

- 1) Pledge agreement, which may be a stand-alone agreement or a constituent part of another agreement entered into by and between the pledgee and the pledgor, pursuant to legislation governing the certification of signatures;
- 2) Any other agreement underlying the pledge agreement;
- 3) Guarantee agreement or any other agreement if the pledgor and the debtor are different; and
- 4) Completed original order for the transfer of financial instruments from the proprietary account to the pledge account of the pledgor, or original order for registration with the pledge account of the pledgor if a pre-existing pledge is registered, signed by the pledgor.

[2] By registering the pledge, the CSD shall also register a ban on the disposal or limitation of some rights in the pledged financial instruments, where the pledge agreement contains information identifying the right subject to such restriction, pursuant to law.

[3] The CSD shall register entitlement of the pledgee to dividend, coupon, and annuity payments, where so envisaged by the pledge agreement.

[4] The template of the order referred to in Paragraph [1] Item 4) of this Section shall be published on the website of the CSD and, when submitted, must contain all required elements for registration, including any restrictions on the rights of the pledgor.

[5] Registration in the Register of pledges shall entail transferring the financial instruments from the proprietary financial instrument account of the pledgor to the pledge financial instrument account of the pledgor pursuant to the appropriate legal grounds.

[6] Where a pre-existing pledge has been registered over the financial instruments, the new pledge shall be registered over the pledge financial instrument account of the pledgor/enforcement debtor.

### **Pledge Agreement**

112a. [1] A pledge agreement shall contain, in particular:

- 1) Effective date;
- 2) Information on the pledge creditor, debtor, and pledgor, if the debtor and pledgor are different, namely: first and last name/trading name, permanent address/registered office address, national identification number/company number, and taxpayer identification number, if any;
- 3) Type and quantity of the financial instruments subject to the pledge; and
- 4) Amount and other information about the claim secured.

[2] A pledge agreement subject to registration in the Register of pledges shall pertain to one pledgor and one pledgee.

### **Cancellation of Contractual Pledge**

112b. [1] A pledge shall be cancelled and deleted from the Register of pledges at the request of the pledgee, pledgor, or debtor:

- 1) On the repayment of the underlying debt, or by other means; and
- 2) Where the creditor and the debtor have merged.

[2] A pledge shall be extinguished and deleted from the Register of pledges without a specific application, by operation of the law:

- 1) Where the issuer or the financial instrument ceases to exist;
- 2) Where the pledge is activated by the sale of the pledged financial instruments for repayment of the debt owed to the creditor or where the debt owed to the creditor is repaid by a transfer of ownership of the pledged financial instruments;
- 3) Where shares are redeemed compulsorily;
- 4) In the event of a sale in bankruptcy; and
- 5) In other cases as envisaged by law.

[3] The pledgee, debtor, or pledgor, if different, shall apply with the CSD for deletion of a pledge with the Register of pledges and shall accompany such application with:

- 1) Declaration by the pledgee, certified pursuant to legislation governing the certification of signatures, allowing the deletion of the pledge, where such declaration shall contain information required to identify the pledge and the financial instruments serving as collateral for the pledge the deletion of which is sought, final court ruling, or any other appropriate document proving the cancellation of the pledge;
- 2) Completed original order for the transfer of financial instruments from the pledge account to the proprietary account, or original order for deletion of the pledge if a pre-existing pledge is registered, signed by the pledgor; and
- 3) Special authorisation, where the application to delete the pledge is made by an authorised person on behalf of the pledgee.

[4] The template of the order referred to in Paragraph [3] Item 2) of this Section shall be published on the website of the CSD and, when submitted, must contain all required elements for registration.

### **Recovery of Contractually Pledged**

112v. [1] Where the underlying claim of the pledgee is not paid once it has become due, the pledgee shall initiate the recovery procedure by giving notice to the debtor/pledgor ('notice to the pledgor') of its intent to recover the claim pursuant to the agreement, either by realising financial instruments in question and collecting the proceeds or by taking ownership of the pledged financial instruments.

[2] Recovery shall commence on the expiration of eight days following the delivery of the notice to the pledgor by registered mail to the address of the debtor or pledgor as indicated in the agreement.

[3] A person that has acquired title to financial instruments in recovery (by purchasing financial instruments or taking ownership of pledged financial instruments) shall acquire title to such financial instruments free of any burden.

### **Recovery by Acquisition of Title to Contractually Pledged Financial Instruments**

112g. [1] Recovery by taking ownership of financial instruments (acquiring title to financial instruments) shall be possible only where the pledgor and the pledgee have explicitly agreed to such acquisition in the agreement that underlies the registration of the pledge, as well as the method of valuing the collateral in such case.

[2] In the event referred to in Paragraph [1] of this Section, the pledgee shall apply with the CSD for acquisition of title and shall accompany such application with:

- 1) completed original order for the transfer of financial instruments from the pledge account of the pledgor to the proprietary account of the pledgee;
- 2) notification indicating the method of valuing the financial instruments;
- 3) notice to the pledgor, with proof of having been sent by registered mail on a particular date; and
- 4) statement by a senior pledgee allowing the deletion of their pledge or agreement of such senior pledgee that the pledgee which initiated the realisation procedure may recover their claim by acquiring the financial instruments, certified pursuant to legislation governing the certification of signatures (where financial instruments are pledged to

multiple pledgees and where one or more of these are registered in the pledge register by seniority of claim ahead of the pledgee that initiated the procedure for recovery by acquisition.

[3] The template of the order referred to in Paragraph [2] Item 1) of this Section shall be published on the website of the CSD and, when submitted, must contain all required elements for registration.

[4] Once it has received the application and once at least eight days have elapsed from the notification of the pledgor, the CSD shall transfer the pledged financial instruments from the pledge financial instrument account of the pledgor to the proprietary financial instrument account of the pledgee.

[5] Own shares of the pledgor may not be subject to such acquisition.

[6] Once the transfer referred to in Paragraph [4] of this Section is complete, the CSD shall update the Register of pledges and shall post a notice of recovery by acquisition of title to the financial instruments in question.

### **Recovery by Sale of Contractually Pledged Financial Instruments**

112d. [1] Recovery by sale of contractually pledged financial instruments shall be possible where the pledgee and the pledgor have so agreed in the underlying agreement that informed the registration of the pledge.

[2] In the event referred to in Paragraph [1] of this Section, the pledgee or the CSD member appointed for the sale by the pledgee shall apply with the CSD for transfer of the financial instruments in question into the pledge account of the pledgor with such CSD member for the purpose of sale, which shall be accompanied by a notice to the pledgor with proof of having been sent by registered mail on a particular date.

[3] Having verified that the requirements of Paragraph [2] of this Section have been met, the CSD shall transfer the pledged financial instruments to the pledge account of the pledgor with the CSD member appointed for the sale by the pledgee, together with information about all creditors registered as holders of pledges over the financial instruments in question in the Register of pledges.

### **Sale of Contractually Pledged Financial Instruments for Purposes of Recovery**

112dj. [1] The sale of contractually pledged financial instruments traded in a regulated market or through an MTF shall be initiated by the CSD member appointed for the sale by inputting the sale order into the information system of the regulated market or MTF pursuant to the sale order completed by the pledgee.

[2] The pledgee shall arrange the valuation of pledged financial instruments traded outside a regulated market or an MTF pursuant to Companies Law where the underlying pledge agreement does not assign a value to the financial instruments or specify a valuation method.

[3] The sale of financial instruments traded outside a regulated market or an MTF shall be arranged by the pledgee through a CSD member, unless otherwise stipulated in the pledge agreement.

[4] The pledgee shall enter into an agreement for the sale of financial instruments with the buyer, and this agreement shall be certified pursuant to legislation governing the certification of signatures.

[5] The CSD member appointed for the sale by the pledgee, pursuant to the documents referred to in Sections 65, 66, and 72. of these Operating Rules, shall input the order to transfer the financial instruments traded outside a regulated market or an MTF using the CSD client-side web application. Page | 77

[6] Any pledged financial instruments that have been sold shall be settled using the DvP method, where the cash proceeds shall be remitted into the cash account of the CSD member that handled the sale of the financial instruments.

[7] The CSD member shall be required to promptly transfer the cash proceeds of the sale of the financial instruments into the cash account of the pledgee, and shall in doing so be required to take due account of recovery by all creditors in the order of the registration of their pledges with the Register of pledges.

[8] Where the sale of pledged financial instruments has resulted in cash proceeds that exceed the debt (principal, interest, and costs of recovery), the pledgee shall be required to transfer the difference to the pledgor on the first working day following the day on which the funds are remitted on pain of being required to pay the statutory penalty interest accruing from the date of recovery to the date the difference is transferred.

[9] Once the sale has been completed, the CSD member appointed for the sale by the pledgee shall be required to update, using the CSD client-side web application, information about the quantity of financial instruments sold, pledgee, and legal grounds, and to submit a notice of recovery to the CSD.

[10] Once it has received the notice of recovery referred to in Paragraph [9] of this Section, the CSD shall update the Register of pledges and publish the appropriate notice on its website.

### **Amendment of a Registered Contractual Pledge**

112e. [1] The pledgee, pledgor, or debtor shall apply with the CSD for amendment or deletion of information about a registered pledge in the Register of pledges, where such application must be accompanied by the relevant addendum to the pledge agreement or any other document pertaining to the amendment, addition, or deletion sought, certified pursuant to legislation governing the certification of signatures.

[2] Any changes of legal grounds or collateral subject to a pledge shall be deemed a new registration.

### **Annotation of Disputes in Connection with Pledges**

112ž. [1] The CSD shall register an annotation in the Register of pledges of a dispute in connection with a lawsuit seeking the deletion of a pledge or any other dispute in connection with a pledge at the application of a party that proves its standing.

[2] Any party that proves its standing may seek to delete an annotation of a dispute provided it submits a final court ruling or settlement ending the dispute in question.

## **Payments in Connection with Financial Instruments Subject to Registered Pledges**

112z. [1] The CSD shall make any payment (transfer funds) in connection with a financial instrument subject to a registered pledge (principal, dividend, and coupon/annuity) into the account of the CSD member maintaining the account of the pledgor.

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[2] Where the pledge agreement entitles the pledgee to dividend or coupon/annuity payments, the pledgor shall be required to transfer such funds to the pledgee after receiving the payment referred to in Paragraph [1] of this Section.

[3] In the event of recovery where the sale of financial instruments subject to a registered pledge has been initiated but not completed, the CSD shall at the application of the pledgee make dividend or coupon/annuity payments into the account of the member that initiated the sale of the financial instruments subject to a registered pledge, unless otherwise stipulated in the pledge agreement.

## **Registration of Pledge and Ban on Disposal of Financial Instruments Pursuant to Ruling of Court or Public Enforcement Officer**

112i. [1] The CSD shall register pledges and bans on the disposal of financial instruments with the Register of pledges pursuant to rulings of courts and public enforcement officers.

[2] Where the ruling of a court or a public enforcement officer pertains to multiple creditors, such ruling must indicate the exact number of financial instruments subject to enforcement for each individual creditor.

[3] An application for registration of a pledge and a ban on the disposal of financial instruments pursuant to the ruling of a court or public enforcement officer may be made by the appropriate court or public enforcement officer, creditor, or debtor, together with the original or a certified copy of the relevant ruling.

[4] The CSD shall register the pledge and ban on disposal by transferring the financial instruments in question from the proprietary financial instrument account of the enforcement debtor to the pledge account of the enforcement debtor, or shall register it in the pledge account of the enforcement debtor in the event a pre-existing pledge has previously been registered on other legal grounds.

[5] Where a public enforcement officer applies for registration of pledges and bans on disposal for more than ten enforcement debtors, such public enforcement officer shall submit information on enforcement debtors, creditors, financial instruments in question, and legal grounds to the CSD on a CD in the format prescribed by the CSD.

## **Deletion of Pledge and Ban on Disposal of Financial Instruments Pursuant to Ruling of Court or Public Enforcement Officer**

112j. [1] The CSD shall delete pledges and bans on the disposal of financial instruments following an application to that effect and pursuant to a final ruling of a court or final conclusion of a public enforcement officer.

[2] An application for deletion of a pledge and a ban on the disposal of financial instruments may be made by the appropriate court or public enforcement officer, creditor, or debtor, together with the original or a certified copy of the relevant final ruling of the court or final conclusion of the public enforcement officer.

[3] Where a public enforcement officer applies for deletion of pledges and bans on disposal for more than ten enforcement debtors, such public enforcement officer shall submit information on enforcement debtors, creditors, financial instruments in question, and legal grounds to the CSD on a CD in the format prescribed by the CSD. Page | 79

### **Sale of Pledged Financial Instruments and Recovery by Enforcement Creditors**

112k. [1] The CSD shall permit the sale of pledged financial instruments to a CSD member that has been appointed for the sale of such financial instruments pursuant to a ruling of the court or public enforcement officer, following an application made by such CSD member to the CSD.

[2] The CSD shall transfer pledged financial instruments to the pledge account of the enforcement debtor maintained by a CSD member, together with information on all creditors registered as holders of pledges over such financial instruments with the Register of pledges.

[3] Where a CSD member applies for the sale of pledged financial instruments for more than ten enforcement debtors, such CSD member shall submit information on enforcement debtors, creditors, financial instruments in question, and legal grounds to the CSD on a CD in the format prescribed by the CSD.

[4] The sale of pledged financial instruments that are traded in a regulated market or through an MTF shall be initiated by the CSD member appointed for the sale pursuant to a ruling of the court or decision of the public enforcement officer inputting the sale order into the CSD information system.

[5] The sale of pledged financial instruments traded outside a regulated market or an MTF shall be arranged by the public enforcement officer, pursuant to legislation governing enforcement and security.

[6] The CSD member appointed for the sale shall be required to ensure recovery by all creditors based on the order of the registration of their pledges in the Register of pledges and to notify the court or public enforcement officer, prior to inputting the transfer order, of any and all registered bans on disposal and pledges over the financial instruments in question.

[7] The settlement of financial instruments sold shall follow the DvP method, where the CSD member shall be required to promptly transfer the cash proceeds of the sale of the financial instruments into the cash account designated by the court or public enforcement officer.

[8] Once the sale is complete, the financial instruments shall be transferred to the buyer free of any burdens.

[9] Once the sale is complete, the CSD member appointed for the sale shall be required to update information on the quantity of financial instruments sold, pledgee, and legal grounds in the CSD client-side web application, as well as to notify the CSD of the recovery by the creditor.

## **Amendment of Registered Pledge and Ban on Disposal of Financial Instruments Pursuant to Ruling of Court or Public Enforcement Officer**

112l. [1] The CSD shall amend or delete registered pledges and bans on the disposal of financial instruments following an application to that effect and pursuant to a ruling of a court or conclusion of a public enforcement officer amending the ruling or conclusion that constituted the basis for the registration of the pledge or ban on disposal.

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[2] An application for amendment or modification of the information referred to in Paragraph [1] of this Section may be made by the appropriate court or public enforcement officer, creditor, or debtor, together with the original or a certified copy of the relevant ruling of the court or decision of the public enforcement officer.

## **Registration, Amendment, and Deletion of Pledge Pursuant to Specific Regulations**

112j. The CSD shall register, amend, and delete pledges constituted pursuant to specific regulations based on an application accompanied by the appropriate documentation envisaged by such regulations submitted by the appropriate authority.

## **Sale of Pledged Financial Instruments Held by a Bankrupt Debtor**

112m. [1] The bankruptcy administrator shall apply with the CSD to permit the sale of pledged financial instruments held by a bankrupt debtor.

[2] In the application referred to in Paragraph [1] of this Section the bankruptcy administrator shall appoint the CSD member to sell the relevant financial instruments and provide a copy of the decision on his appointment as bankruptcy administrator.

[3] The sale referred to in Paragraph [1] of this Section shall follow the provisions on the sale of pledged financial instruments for recovery of a debt, as appropriate.

[4] The CSD member shall be required to promptly transfer the cash proceeds of the sale of the financial instruments into the cash account designated by the bankruptcy administrator.

## **Other Annotations of Disputes**

112n. [1] In addition to the annotation of a dispute in connection with a pledge, as set out in Section 112ž of these Operating Rules, the CSD shall register, amend, and delete annotations of disputes in connection with particular shareholders at the application of any person made in person or by regular or electronic mail.

[2] The application must be accompanied by a final court ruling or settlement related to the subject of the annotation.

[3] The relevant annotation shall be published on the CSD website in the section on the shareholding statistics for a particular shareholder.

[4] Following the registration, change, or deletion of an annotation, the CSD shall notify the applicant of the registration, change, or deletion by regular or electronic mail.



## **XVII. LIMITATION OF RIGHTS ARISING FROM FINANCIAL INSTRUMENTS**

113. [1] The exercise of rights arising from financial instruments may be limited in the event that:

- 1) A competent authority has issued a decision prohibiting the exercise of some or all rights arising from financial instruments;
- 2) The Securities Commission has issued a decision disenfranchising a lawful holder of shares.

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[2] The CSD shall register a limitation in the exercise of some or all rights arising from financial instruments pursuant to a decision of a competent authority submitted either by a CSD member or directly by such competent authority.

[3] The CSD shall disenfranchise a lawful holder of shares pursuant to a decision made by the Securities Commission or other competent authority.

[4] The CSD shall erase a previously registered limitation in the exercise of some or all rights arising from financial instruments pursuant to a decision of a competent authority submitted by such competent authority, a CSD member, or a third party.

[5] The CSD shall remove the disenfranchisement of a lawful holder of shares pursuant to a decision thereto issued by the Securities Commission.

114. [Deleted]

115. The CSD shall publish information on registered limitations in the exercise of rights arising from financial instruments on its website and in the single shareholder record.

### **XVIIa. SEIZURE OF PROCEEDS OF CRIME**

115a. [1] The CSD shall register a prohibition on disposal of financial instruments in accordance with a prosecutorial instruction or court order for the temporary sequestration of assets made pursuant to legislation governing the seizure of proceeds of crime.

[2] At the same time as it registers the prohibition on disposal referred to in Paragraph [1] of this Section, the CSD shall also register an annotation entitling the Directorate for Management of Seized Assets.

[3] On its website and in the single shareholder record, the CSD shall publish information on:

- 1) Prohibitions on disposal of financial instruments;
- 2) Annotations entitling the Directorate for Management of Seized Assets to manage such financial instruments.

[4] Pursuant to a court order admitting an application by a public prosecutor to have assets temporarily sequestered, the CSD shall amend the statement of legal grounds for sequestration in its records by substituting such court order for the originally registered prosecutorial

instruction.

[5] Pursuant to an enforceable court order rejecting an application by a public prosecutor to have assets temporarily sequestered, the CSD shall delete the annotation and prohibition on disposal of financial instruments.

[6] Pursuant to a court order admitting an application by a public prosecutor to have assets permanently sequestered, the CSD shall amend the statement of legal grounds in its records by substituting such non-enforceable court order for permanent seizure of assets. Page | 82

[7] Pursuant to an enforceable court order rejecting an application by a public prosecutor to have assets permanently sequestered, the CSD shall delete the annotation and prohibition on disposal of financial instruments.

[8] Pursuant to an enforceable court order to have assets permanently sequestered, the CSD shall transfer title to the relevant securities as indicated in such order.

## **XVIIIb. FINANCIAL COLLATERAL**

115b. [1] Pursuant to legislation governing financial collateral, a financial collateral arrangement shall require the collateral provider to transfer title to collateral to a collateral taker as security for a financial obligation of the collateral provider or another person, or to institute a pledge over such collateral in favour of the collateral taker, whereas the collateral taker shall, pursuant to such agreement, undertake to return the collateral received or its equivalent to the collateral provider following or simultaneously with the discharge of the financial obligation.

[2] Provisions of this Chapter shall exclusively apply to pledges constituted pursuant to financial collateral arrangements, as well as to revenues and receipts from collateral (payments of dividends, coupons, annuities, etc.).

[3] The CSD shall adopt a special set of technical instructions for CSD members to regulate operations with financial collateral and shall publish them by means of the client-side CSD web application.

### **Provision of Collateral**

115v. [1] Pursuant to a financial collateral arrangement and an order made by the collateral provider and using the client-side CSD web application, the CSD member maintaining the proprietary financial instruments account of the collateral provider shall:

- 1) Transfer financial instruments posted as collateral from the proprietary financial collateral account of the collateral provider to the proprietary financial collateral account of the collateral taker, or
- 2) Register a pledge in favour of the collateral taker over financial instruments posted as collateral and consequently transferred to the financial collateral pledge account of the collateral provider.

[2] The collateral taker may continue to dispose of collateral referred to in Paragraph [1] of this Section, within the meaning of legislation governing financial collateral, through the agency of the CSD member maintaining its proprietary financial collateral account or financial collateral pledge account, where so stipulated in the financial collateral arrangement.

[3] The CSD member referred to in Paragraph [1] of this Section shall ensure that both the collateral provider and the collateral taker are entities permitted to enter into financial collateral arrangements as envisaged by legislation governing financial collateral.

[4] The collateral taker shall be deemed to have acquired the collateral as of the time the financial instruments in question have been transferred by the CSD member into the proprietary financial collateral account of the collateral taker, and shall acquire pledge over such collateral as of the time such interest is registered in favour of the collateral taker in the financial collateral pledge account of the collateral provider.

[5] Where a financial collateral arrangement grants a pledge over the collateral to the collateral taker, the collateral provider shall retain title to such collateral.

[6] Payments due from financial instruments posted as collateral (such as payments of dividends, coupons/annuities, and principal) shall be directed by the CSD into the account of the CSD member maintaining the proprietary financial collateral account of the collateral taker, or the financial collateral pledge account of the collateral provider.

[7] The CSD member referred to in Paragraph [6] of this Section shall be required to pay the funds referred to in the same Paragraph to the collateral taker, unless otherwise stipulated in the financial collateral arrangement.

[8] Where the financial collateral arrangement entitles the collateral provider to revenues and receipts from collateral, the CSD member referred to in Paragraph [6] of this Section shall be required to make the appropriate payments to the collateral provider.

[9] Where the financial collateral arrangement entitles the collateral provider to the exercise of voting rights in shares in the financial collateral pledge account, the CSD member referred to in Paragraph [6] of this Section shall make an application with the CSD for registration of an annotation detailing such entitlement in the single shareholder record.

### **Entitlement to Use and Disposal of Pledged Collateral**

115g. [1] The collateral taker shall be entitled to the use and/or disposal of financial instruments in the financial collateral pledge account of the collateral provider, where so envisaged in the financial collateral arrangement.

[2] The entitlement to use and disposal of financial instruments referred to in Paragraph [1] of this Section and designated in the financial collateral arrangement may be equal in scope to the entitlement conferred by title of such financial instruments.

### **Disposal of Collateral**

115d. Pursuant to a financial collateral arrangement and an order made by the collateral taker, the CSD member maintaining the proprietary financial collateral account shall perform the operation indicated in the order, namely:

- 1) Sell the financial instruments in question. An order for the sale of such financial instruments shall contain information on the proprietary financial collateral account of the collateral taker and quantity of financial instruments to be sold; or
- 2) Transfer the financial instruments in question from the proprietary financial collateral

account to the proprietary financial instrument account. An order for the transfer of such financial instruments shall contain information on the proprietary financial collateral account of the collateral taker, information on the proprietary financial instrument account of the collateral taker, and quantity of financial instruments to be transferred.

### **Substitution of Collateral**

115dj. Substitution of collateral may be governed by a financial collateral arrangement, pursuant to legislation governing financial collateral, as follows:

- 1) Requiring the collateral provider to provide additional collateral in the event that the value of collateral diminishes in relation to the financial obligations;
- 2) Allowing the collateral provider to withdraw part of the collateral in the event that the value of collateral increases in relation to the financial obligations;
- 3) Allowing the collateral provider to substitute previously provided collateral by other collateral of at least equivalent value.

### **Realisation of Collateral**

115e. [1] The realisation of collateral shall not be affected by the initiation/opening of bankruptcy or liquidation proceedings or the introduction of reorganisation measures in respect to either the collateral provider or taker, neither shall any decision or approval of an appropriate authority in such proceedings constitute an ex ante or ex post requirement for the realisation of collateral.

[2] Financial instruments subject to a pledge shall be exempt from enforcement within the meaning of legislation governing enforcement and security.

### **Recovery from Collateral Subject to Pledge**

115ž. [1] Upon the occurrence of an enforcement event that triggers the realisation of collateral, pursuant to the collateral arrangement and an order by the collateral taker, the CSD member acting on behalf of the collateral taker shall perform the operation indicated in the order, namely:

- 1) Sell the financial instruments in question in recovery of a claim of the collateral taker. An order for the sale of such financial instruments shall contain information on the proprietary financial collateral account of the collateral taker and quantity of financial instruments to be sold; or
- 2) Transfer title to the financial instruments in question to the collateral taker. An order for the transfer of title to such financial instruments shall contain information on the financial collateral pledge account of the collateral provider, information on the proprietary financial instrument account of the collateral taker, and quantity of financial instruments subject to the transfer of title.

[2] Title to financial instruments may only be transferred in the event that both the collateral taker and the collateral provider have explicitly contracted for such transfer and the means by which the value of the collateral will be determined in such case.

[3] In the event referred to in Paragraph [1] of this Section, the collateral taker shall be required to promptly return any excess of value remaining after recovery by transfer of title to collateral to the collateral provider.

## Recovery from Acquired Collateral

115z. As stipulated in the financial collateral arrangement, the collateral taker shall be required to promptly return any excess of value remaining after the sale of or transfer of title to collateral to the collateral provider.

## Close-Out Netting

115i. A financial collateral agreement may stipulate that the mutual obligations of the parties under one or multiple financial collateral agreements shall be deemed to have become due and shall be terminated automatically or on the application of a party upon the occurrence of an enforcement event.

## Return of Collateral

115j. [1] Following or simultaneously with the discharge of the financial obligation, the CSD member maintaining the proprietary financial collateral account or financial collateral pledge account of the collateral taker, or the CSD member maintaining the proprietary financial instrument account of the collateral taker shall, at the application of the collateral taker, return the received or equivalent financial instruments by transferring such instruments to the proprietary financial instrument account of the collateral provider, pursuant to the financial collateral arrangement.

[2] Following or simultaneously with the discharge of the financial obligation, the CSD member maintaining the financial collateral pledge account shall, at the application of the collateral provider and with the approval of the collateral taker, delete the registered pledge over such financial instruments, pursuant to the financial collateral arrangement.

## XVIII. PERFORMANCE OF CORPORATE ACTIONS

116. [1] The CSD shall perform corporate actions through a CSD member and at the application of the issuer or any other duly authorised person.

[2] The application referred to in Paragraph [1] of this Section shall be filed through a CSD member in either hard copy or electronic form.

[3] Upon receiving the application referred to in Paragraph [1] of this Section, the CSD shall act in accordance with such application by undertaking the action indicated in such application by the time limit set by such application, in compliance with these Operating Rules and other general byelaws of the CSD.

[4] Corporate actions shall entail:

- 1) Payment of dividend in shares or in cash;
- 2) Payment of coupons or annuities under debt financial instruments;
- 3) Payment and de-registration of debt financial instruments before, at, or after maturity;
- 4) Notification of payment of debt financial instruments, or coupons or annuities;

- 5) Notification of non-payment of debt financial instruments, or coupons or annuities;
- 5a) Notification of the repurchase of debt financial instruments before maturity;
- 6) Notification of the payment of dividend;
- 7) Notification of an invitation to the General Meeting;
- 8) Notification issued by lawful shareholders on share takeover offers;
- 9) Notification issued by lawful shareholders on offers for acquisition of own shares;
- 10) Notification issued by lawful shareholders on the offer for disposal of own shares;
- 11) Notification on acquisitions of own shares by dissenting shareholders;
- 12) Notification on Compulsory Purchase of Shares;
- 13) Notification on entitlement to sale of shares;
- 14) Notification on pooling of shares with government package for the purpose of sale by public offering;
- 15) Provision of the single shareholder record for the purpose of the General Meeting, as well as in other cases envisaged by law.
- 16) Other notifications at request of members.

### **Payment of Dividend**

117. [1] A CSD member acting as corporate agent of the issuer shall submit a notice of the issuer of intent to pay dividend via the CSD at the latest seven working days before the date scheduled for the calculation of dividend and transmission of electronic messages ('calculation date').

[2] The CSD member acting as corporate agent of the issuer shall input, by means of the client-side CSD web application, the notice of the issuer of intent to pay dividend referred to in Paragraph [1] of this Section and an electronic order for payment of dividend, containing information on the net dividend (dividend less tax) for each share and category of person.

[3] The notice of the issuer of intent to pay dividend via the CSD must contain:

- 1) Dividend date (date as of which the schedule of shareholders entitled to dividend is set, as established in the Articles of Association or decision of the issuer);
- 2) Calculation date;
- 3) Payment (settlement) date;
- 4) Invitation to shareholders lacking active financial instruments accounts (whose accounts have been closed between dividend date and date of notice of intent to pay dividend) to provide dividend payment instructions to the corporate agent by the day immediately preceding the calculation date.

[4] The CSD shall publish the notice of the issuer of intent to pay dividend on its website on the same day.

[5] The CSD shall allow the corporate agent of the issuer to retrieve, using the CSD client-side web application, a schedule of shareholders lacking active financial instruments accounts as of the date of submission of the notice of the issuer of intent to pay dividend so as to allow such shareholders to be invited to provide payment instructions.

117a. [1] At the latest on the day preceding the calculation date, the corporate agent of the issuer shall submit the following documents to the CSD:

- 1) Application of the CSD member for payment of dividend;
- 2) Application of the issuer for payment of dividend;
- 3) Decision of the appropriate body of the issuer of the payment of dividend;
- 4) Notification of the payment of dividend in printed and electronic format.

[2] The CSD shall verify payment information by category of person in the CSD system.

[3] In the event that the category of shareholder changes between the dividend date and the working day immediately preceding the calculation date, the corporate agent of the issuer shall make the appropriate adjustments to the dividend calculation for that category in the CSD system.

117b. [1] At the latest one working day prior to the calculation date, a shareholder entitled to receive dividend may, via a CSD member, provide instructions for payment of dividend to a selected securities depository, or may submit information on the CSD member to pay dividend.

[2] The CSD member acting as corporate agent of the issuer shall confirm dividend payment by means of the client-side CSD web application on the day preceding the calculation date.

117v. [1] On the calculation date, the CSD shall publish the notice of the issuer on the payment of dividend on its website.

[2] The dividend payment notice must indicate:

- 1) Dividend date;
- 2) Calculation date;
- 3) Payment date;
- 4) Total net amount of dividend by shareholder category.

[3] The CSD shall transmit electronic messages to:

- 1) Corporate agent of the issuer for each shareholder receiving dividend;
- 2) Selected depository or CSD member to pay dividend.

[4] In the event that no depository has been selected, the CSD shall transmit electronic messages to:

- 1) Member with which shares were maintained as of dividend date provided that the securities account remains active;

- 2) Where the account is inactive, the CSD shall transmit electronic messages to the member with which a new agreement on the maintenance of a securities account has been entered into, pursuant to a client review referred to in Section 42 Paragraphs [4] and [5] of these Operating Rules;
- 3) Where the account is inactive and membership in the CSD of the member that maintained the securities account of the shareholder as of dividend date has terminated without the shareholder entering into a new agreement on the maintenance of a securities account, the CSD shall transmit electronic messages to the member with which the former maintaining member has entered into a client transfer agreement with.

[5] In the event that none of the conditions referred to in Paragraphs [3] and [4] of this Section has been met, the CSD shall transmit the electronic messages to the corporate agent of the issuer.

[6] In the event that the shareholder holds shares with multiple depositaries on dividend date, the CSD shall calculate and pay dividend at the level of each individual depositary.

[7] Notwithstanding the above provisions, where dividend is paid for shares issued pursuant to the Law on Entitlement to Shares Distributed Free of Charge and Compensation in Cash Granted to Members of the Public in the Privatisation Procedure recorded on dividend date in a broker account, the CSD shall transmit the electronic messages to the broker administering the securities account in question.

117g. [1] CSD members shall be required to respond to electronic messages transmitted to them, as provided for under the CSD Term Schedule Rulebook.

[2] A CSD member that has not entered into an agreement on the opening and maintenance of a securities account with a shareholder entitled to dividend shall be required to decline an electronic message.

[3] In the event that a CSD member declines an electronic message and instructs the CSD to redirect the message to another CSD member, the CSD shall follow such instruction.

[4] In the event that a CSD member declines an electronic message without instructing the CSD to redirect the message to another CSD member, the CSD shall transmit such message to the corporate agent of the issuer.

[5] In the event that a CSD member does not respond to electronic messages, the CSD shall assume member consent and shall generate appropriate DUPL messages.

117d. [1] On dividend payment date, the issuer shall deposit cash required for payment of dividend into the CSD cash account with the National Bank of Serbia crediting the cash account of the CSD member acting as corporate agent of the issuer with the CSD.

[2] On dividend payment date, the CSD shall direct cash required for payment of dividend to CSD members that have confirmed receipt of electronic messages and that have been generated DUPL messages, which shall transfer the cash into cash accounts of persons entitled to dividend.

[3] For shareholders whose shares are maintained in a suspense securities account with the CSD, the dividend shall be paid to the CSD member acting as corporate agent of the issuer.



[4] After the dividend has been paid, the CSD shall publish a notice of payment of dividend on its website.

117dj. [1] In the event that a CSD member that has received a dividend is unable to ascertain information on persons entitled to dividend required for distribution of the dividend, such CSD member shall be required to repay the undistributed portion of the dividend to the corporate agent of the issuer within 10 days following payment of the dividend, and provide a schedule of the shareholders and amounts of dividend not paid.

[2] In the event the corporate agent of the issuer is also unable to distribute the dividend to the appropriate shareholders, such corporate agent shall be required to repay the undistributed portion of the dividend to the issuer, within 15 days following payment of the dividend, and provide a schedule of the shareholders and amounts of dividend not paid, excepting where the issuer is a joint-stock company designated by the law governing the rights of members of the public to shares distributed free of charge and remuneration in privatisation procedures, in which case the dividend funds shall remain in the account of the corporate agent of the issuer until such time as they are finally disbursed to shareholders.

### **Payment of Residual Value on Liquidation**

117e. [1] The CSD member acting for a joint-stock company in liquidation shall submit a notice of that company of intent to pay the residual value following liquidation via the CSD at the latest seven working days before the date scheduled for calculation of the residual value following liquidation and transmission of electronic messages ('calculation date').

[2] The CSD member shall input, by means of the client-side CSD web application, the notice of the joint stock company in liquidation of intent to pay the residual value following liquidation referred to in Paragraph [1] of this Section and the electronic order for payment of residual value following liquidation that contains information on the net residual value following liquidation (residual value less tax) for each share and category of person.

[3] The notice of the joint-stock company in liquidation of intent to pay the residual value following liquidation via the CSD must contain:

- 1) Dividend date (date as of which the schedule of shareholders entitled to the residual value following liquidation is set, as established in the Articles of Association or a decision of the joint-stock company in liquidation);
- 2) Calculation date;
- 3) Payment (settlement) date;
- 4) Invitation to shareholders lacking active financial instruments accounts (whose accounts have been closed between dividend date and date of notice of intent to pay) to provide instructions for payment of the residual value following liquidation to the CSD member referred to in Paragraph [1] of this Section by the day immediately preceding the calculation date.

[4] The CSD shall publish the notice of the joint-stock company in liquidation of intent to pay the residual value following liquidation on its website on the same day.

[5] The CSD shall send to the CSD member referred to in Paragraph [1] of this Section a schedule of shareholders lacking active financial instruments accounts as of the date of submission of the notice of the joint-stock company of intent to pay the residual value following liquidation so as to allow such shareholders to be invited to provide payment instructions.

[6] The CSD shall apply the procedure described in Sections 117a to 117dj of these Operating Rules, with the appropriate modifications, to the payment of the residual value following liquidation. Page | 90

### **Payment of Debt Financial Instruments, Interest Coupons, Annuities, and Repurchase before Maturity**

117ž. Coupons, annuities, and principals shall be paid at or before maturity, where so envisaged by the issuer, to lawful holders of debt securities registered as such on the last working day prior to the record date.

118. [1] Payment upon maturity of debt financial instruments, interest coupons, or annuities shall be made into the cash account of the corporate or issuing agent with the CSD, as provided for under the CSD Term Schedule Rulebook. The CSD member acting as corporate or issuing agent shall be required to initiate the payment of debt financial instruments, pursuant to the decision and at the request of the issuer, by means of the CSD client-side web application or the payment of interest coupons and annuities, as well as to verify data related to the payment.

[2] Pursuant to the date of payment input and the payment made, the CSD shall generate and forward electronic notifications to the CSD members maintaining lawful holders' financial instrument accounts, and to members maintaining cash accounts of lawful holders of financial instruments, pursuant to the application for the payment of financial instruments and interest coupons. CSD members shall be required to confirm the receipt of such notification in electronic form.

[3] Payment of interest coupons or annuities shall be made through the transfer of funds into the accounts of the CSD members maintaining financial instruments accounts of lawful holders, with such members then transferring the funds into the cash accounts of lawful holders. Funds for interest coupons may be redirected, at the request of a CSD member, to a CSD member maintaining the cash account of lawful holder of financial instruments.

[4] Payment of debt financial instruments upon maturity shall be made through the transfer of funds into the accounts of CSD members maintaining financial instrument accounts of lawful holders, with such members thereupon transferring the funds into the cash accounts of lawful holders. Funds for the payment of financial instruments may be redirected, at the request of a CSD member, to a CSD member maintaining the cash account of a lawful holder of financial instruments. After payables arising from debt financial instruments have been settled, the CSD shall de-register such financial instruments by transferring them into a special account to conclude the issue of financial instruments.

[5] The CSD shall make public on its website the notification of the issuer to the effect that the issuer shall pay matured financial instruments, coupons or annuities of the day of their maturity. The application for making the notification of the issuer public shall be filed by the CSD member acting as corporate or issuing agent.

[6] Where the determined amount of funds is not paid on the day of maturity, or payment is made in part, the CSD shall not pay out the funds in question. The CSD member acting as

corporate or issuing agent shall be required to notify the CSD of the failure of the issuer to settle its payables upon their maturity by means of the CSD client-side web application, as well as lawful holders of financial instruments by posting the notification on the CSD website. Where the issuer pays the entire amount of payable under the decision on the issue of the matured financial instruments, interest coupons or annuities, and a CSD member confirms the payment and files an application for payment, the CSD shall transfer such funds into accounts of CSD members maintaining financial instrument accounts of the lawful holders, which shall transfer these into the cash accounts of the lawful holders, as well as de-register such matured debt financial instruments or transfer funds arising from interest coupons or annuity.

[7] The CSD may make payment for and de-register financial instruments prior to their maturity at the request of the issuer, which must be provided through a CSD member and comply with the decision to issue such financial instruments.

[8] The CSD shall make payment for and de-register financial instruments after their maturity at the request of the issuer, which must be provided through a CSD member as regulated in Paragraph [4] of this Section.

[9] The CSD shall de-register financial instruments after their maturity where the payables under such financial instruments have been settled outside the CSD framework pursuant to an application by the issuer substantiated by the following documentation provided by the CSD member, agent:

- 1) statement made by the issuer attesting that any liabilities due under such debt securities have been paid following their maturity, certified pursuant to legislation governing the certification of signatures; and
- 2) statement made by the lawful holder that any liabilities due under such debt securities have been paid following their maturity, certified pursuant to legislation governing the certification of signatures.

[10] The CSD shall not be liable to issuers and lawful holders for any damage caused by delayed payment for any reason, as well as for omissions or delays caused by an error made by an agent.

### **Annulment of Debt Financial Instruments**

118a. [1] At the request of the issuer, the CSD shall annul an issue of financial instruments, in whole or in part, pursuant to a decision adopted by the issuer on the annulment of own debt financial instruments acquired.

[2] The request for annulment shall be provided through a CSD member and shall be accompanied by the decision of the issuer on the annulment of own debt financial instruments.

### **Publication of Invitation to General Meeting**

119. [1] Upon an application by a joint-stock company, a CSD member shall submit to the CSD an application for publication of an invitation to a General Meeting. The CSD member shall accompany such application by an invitation to the General Meeting in electronic format.

[2] The CSD shall publish the invitation to the General Meeting on its website.

## Single Shareholder Record

120. [1] An application for issuing single shareholder records may be filed with the CSD through a CSD member acting as corporate agent for an issuer.

[2] Single shareholder records issued shall contain balances registered on the day indicated in the application, while such day cannot be the day of issue of the single shareholder record.

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[3] Single shareholder records shall include: single shareholder identifier; name or business name; shareholder address; number of shares owned and number of votes conferred by such shares; any registered third-party rights (pledges) with respect to such shares, along with information on such pledges; and any limitations to the right of disposal of such shares.

[4] Where the shares of a lawful holder are kept in an omnibus or custody account, instead of shareholder name, surname and uniform identification number, the single shareholder record shall contain the name of the CSD member with which the omnibus or custody account is kept and the number of such account, and, for custody accounts, designation of entity type.

[5] The CSD shall issue single shareholder records in both hard copy and electronic form.

[6] The CSD shall issue single shareholder records within three working days of the day of receiving a duly completed application thereto.

[7] All shareholders shall be entitled to access the single shareholder record of a joint-stock company in which they hold shares, where such single shareholder record shall contain the name and registration number of the issuer, ISIN, total number of shareholders, total number of shares issued, first and last name or legal name of shareholder, number of shares, and percentage of the total issue of shares owned by any individual shareholder.

[8] The right conferred under Paragraph [7] of this Section shall be exercised through the granting of access to single shareholder records kept in electronic form at the premises of the CSD and at the application of an interested party or its proxy. The application shall be filed through a CSD member, while records may only be inspected in the presence of such CSD member.

[9] Any person applying with the CSD for the issuance of or access to single shareholder records shall be required to provide authorisation for making the filing and taking possession of such records, or for inspecting single shareholder records.

121. For the purposes of holding a General Meeting of Shareholders, the CSD shall issue single shareholder records at the request of the joint-stock company in question, as well as wherever the corporate agent for the issuer files an application thereto on behalf of the issuer.

122. The CSD shall issue single shareholder records pursuant to a court decision with respect to convening a General Meeting of Shareholders at the request of person authorised by the court to convene such meeting.

123. The CSD shall issue single shareholder records at the request of duly registered associations of shareholders of joint-stock companies. Such associations shall file applications for access to single shareholder records through CSD members.

124. The CSD shall issue single shareholder records pursuant to a decision approving an offer for the takeover of shares of a joint-stock company at the request of a CSD member acting as

corporate agent for the seller. In such cases single shareholder records shall contain: shareholder uniform identification number; name and surname or company name; and shareholder address.

125. The CSD shall issue single shareholder records at the request of a CSD member acting as corporate agent for the issuer where payment of dividend is sought through the CSD, and pursuant to a decision on the payment of dividend. In such cases single shareholder records shall contain: the personal identification number or registration number of the shareholder, personal or business name of the shareholder; address of the shareholder; number of shares; type of entity; country identifier; and code of the CSD member.

125a. The CSD shall provide single shareholder records at the request of a CSD member acting as corporate agent for the issuer in the event of a replacement of shares. In this case, the single shareholder record shall contain the personal identification number or registration number of the shareholder, personal or business name of the shareholder; address of the shareholder; number of shares held; registered rights of third parties (pledges) on such shares, indicating pledgees; any restrictions on the disposal of shares; financial instruments account; and code of the CSD member maintaining the financial instruments account.

126. [1] The CSD shall make information contained in single shareholder records public on its website.

[2] Single shareholder records published on the CSD website shall contain the following information:

- 1) Name and surname, or company name of each shareholder, and
- 2) Number of shares owned by each shareholder.

[3] Where the shares of a lawful owner are kept in an omnibus or custody account, the published single shareholder records shall contain, instead of shareholder name and surname, the name of the CSD member with which the omnibus or custody account is kept and the number of such account, and, for custody accounts, designation of entity type.

[4] Where the limitation on rights conferred by securities have been registered, or where a pledge has been constituted, the CSD shall include the notification of such pledge or limitation in single shareholder records published on the CSD website in addition to information referred to in Paragraph [2].

127. Where a joint-stock company has issued shares under the Law on Entitlement to Shares Distributed Free of Charge and Compensation in Cash Granted to Members of the Public in the Privatisation Procedure, the CSD shall make public on its website the information on the ten shareholders holding the largest amount of such shares as contained in the single shareholder record of the joint-stock company.

## **XVIIIa. FINALITY OF SETTLEMENT**

127a. Pursuant to provisions of the Capital Market Law, the CSD shall be the securities settlement system and the operator of that system.

127b. For the purposes of the Capital Market Law and these Operating Rules, ‘transfer order’ means:

- 1) An error-free file containing settlement instructions submitted to the CSD by a regulated market/MTF, Public Debt Administration, National Bank of Serbia, or CSD member;
- 2) An error-free order containing settlement instructions input by a CSD member using the CSD client-side web application;
- 3) An error-free and complete application containing settlement instructions submitted to the CSD by a CSD member.

127v. Moment of acceptance of transfer order' means the time of:

- 1) Input of the file referred to in Section 127b, Item 1) of these Operating Rules into the CSD settlement system;
- 2) Input of the order referred to in Section 127b, Item 2) of these Operating Rules using the CSD client-side web application;
- 4) Receipt of the application containing settlement instructions Section 127b, Item 3) of these Operating Rules by the CSD.

127g. [1] Moment of irrevocability of transfer order' means:

- 1) Moment of acceptance, for transactions referred to in Section 127b, Item 1) of these Operating Rules;
- 2) Moment of acknowledgment of message MT295, for financial instrument and cash transfer orders referred to in Section 127b, Items 2) and 3) of these Operating Rules using the DvP method;
- 3) Moment of acceptance, for financial instrument transfer orders referred to in Section 127b, Items 2) and 3) of these Operating Rules on an FoP or DvD basis;
- 4) Moment of execution of payment order in the RTGS system of the National Bank of Serbia (MT103) to credit the CSD account opened with the National Bank of Serbia, for dinar cash transfer orders without transfer of financial instruments (on a Payment Free of Delivery, or PFoD, basis);
- 5) Moment of receipt of the appropriate file provided by the National Bank of Serbia confirming the execution of a payment order to credit the CSD account opened with the National Bank of Serbia, for foreign exchange cash transfer orders without transfer of financial instruments (on a PFoD basis).

[2] A member may unilaterally cancel a transfer order at any time before the time of irrevocability, excepting for transfer orders referred to in Section 127b, Item 1) of these Operating Rules.

[3] From the moment of irrevocability to the moment of settlement, a transfer order may be cancelled with the approval of all parties to a transaction, with the exception of transfer orders referred to in Section 127b, Item 1) of these Operating Rules.

127d. A transfer order shall become final at the time it is settled at the CSD.

127dj. [1] Where the CSD becomes aware that a CSD member that is party to a transaction or an intermediary in a transaction has become unable to meet its obligations, the CSD shall block the acceptance of transfer orders of that CSD member submitted after the CSD member became unable to meet its obligations.

[2] Where transfer orders are accepted by the settlement system before the issuing CSD member was blocked but are not yet irrevocable, such transfer orders shall be cancelled

regardless of whether they were accepted by the settlement system before or after the member became unable to meet its obligations.

[3] Where transfer orders are accepted by the settlement system before the issuing CSD member became unable to meet its obligations and became irrevocable before the CSD member was blocked, such transfer orders shall be settled pursuant to these Operating Rules.

[4] Where transfer orders are accepted by the settlement system after the CSD became aware that the issuing CSD member had become unable to meet its obligations and became irrevocable before the CSD member was blocked, such transfer orders shall be removed from the settlement system.

[5] Where transfer orders are accepted by the settlement system after the CSD member became unable to meet its obligations but before the CSD became aware that the issuing CSD member had become unable to meet its obligations and became irrevocable before the CSD member was blocked, such transfer orders shall be settled provided they meet the requirements for settlement by the close of the day on which the CSD member became unable to meet its requirements. Where the requirements for settlement by the close of the day are not met, such transfer orders shall be removed from the settlement system.

[6] Where transfer orders are accepted by the settlement system after the CSD became aware that the issuing CSD member had become unable to meet its obligations, such transfer orders shall be settled at the application of the bankruptcy administrator of such CSD member or at the application of another appropriate authority.

[7] Where transfer orders are removed or cancelled pursuant to provisions of this Section, the CSD shall reimburse cash pursuant to instructions of the appropriate authority and shall notify all parties to the transaction, the National Bank of Serbia, the Securities Commission, and the regulated market or MTF in the event the transaction was entered into in such market.

## **XIX. RISK MITIGATION; ESTABLISHMENT AND USE OF GUARANTEE FUND**

128. On the day of settlement, CSD members that are parties to concluded transactions involving financial instruments shall be required to provide financial instruments and funds to allow the CSD to settle financial instruments and funds on a DvP (Delivery versus Payment) basis, pursuant to the CSD Term Schedule Rulebook.

129. [1] All CSD members, excepting only the Republic of Serbia and the National Bank of Serbia, shall be required to make payments into the CSD Guarantee Fund in order to provide funds for the settlement of payables should a CSD member fail to provide financial instruments or funds for transactions entered into involving financial instruments in the regulated market or through an MTF.

[2] The amount payable to the CSD Guarantee Fund shall be EUR 40,000; this sum shall be payable into the CSD account kept with the National Bank of Serbia, pursuant to payment instructions provided by the CSD as published on the website of the CSD.

[3] Foreign exchange assets of CSD members shall consist of assets of the CSD Guarantee Fund and funds paid up by CSD members pursuant to transactions entered into involving financial instruments.

[4] The CSD shall calculate, charges and pay interest on foreign exchange assets of CSD members or foreign exchange assets paid in pursuant to transactions involving financial instruments, as provided for under the decision of the National Bank of Serbia governing the calculation, collection, and payment of interest on foreign exchange assets of the CSD held by the National Bank of Serbia. The CSD may neither invest the foreign exchange assets of CSD members nor place such funds in a time deposit, but may rather only hold such funds as sight deposits with the National Bank of Serbia. The CSD may not invest or deposit for any defined time period the foreign exchange assets of CSD members, but may hold them only as sight deposits with the National Bank of Serbia.

[5] The CSD shall keep foreign exchange assets of CSD members in the currency used by each particular CSD member at the time of payment.

[6] Apart from Guarantee Fund assets, each CSD member shall also be required to provide promissory notes in security for the timely settlement of financial instruments and cash for transactions entered into involving financial instruments.

130. [1] Where a CSD member that has entered into a transaction involving financial instruments on a regulated market or through an MTF does not have sufficient financial instruments or cash in its account on the day of settlement, the CSD may initiate the procedure for activating Guarantee Fund assets pursuant to the CSD Term Schedule Rulebook.

[2] Where assets from the Guarantee Fund account are utilised, the CSD shall assess fees for such utilisation which shall be payable until the defaulting CSD member pays in or refunds the utilised assets into the Guarantee Fund account, as provided for under the CSD Tariff Rate Rules.

[3] A CSD member shall be required to refund the utilised assets as soon as possible, and at the latest by the start of the working day immediately following the day of utilisation of such assets.

131. [1] Where assets of the Guarantee Fund assets are not sufficient for the settlement of the obligations owed by a CSD member, the CSD shall draw bills of exchange and charge them to the CSD member up to the amount missing.

[2] Where it is not possible to provide the assets necessary for the settlement of transaction by utilising the Guarantee Fund and bills of exchange and conditions are not met for the settlement of mutual obligations in financial instrument and cash as envisaged in the CSD Term Schedule Rulebook, the CSD shall reverse the transaction in question with the consent of all parties to such transaction, and shall notify the Securities Commission and the market operator thereof.

### **Emergency Steps for Compulsory Sale or Compulsory Purchase of Financial Instruments**

132. [1] Where it is not possible to provide cash or financial instruments by utilising the Guarantee Fund, the CSD shall take emergency steps for compulsory sale or compulsory purchase of financial instruments.

[2] Compulsory sale or compulsory purchase of financial instruments shall commence by the input of the sale order or purchase order, into the IT system of the market operator where the financial instruments in question are traded by the CSD; where this is not possible (if financial instruments are not traded with the market operator, or if trading in such securities has not been scheduled), enforced sale or enforced purchase shall commence with an invitation issued to all CSD members to submit offers for the sale or purchase of such financial instruments.



[3] The CSD shall rank the offers by price; offers offering the same price shall be ranked by the time of their receipt. In case of compulsory sale, offers with higher price shall be accepted, whilst in the case of compulsory purchase offers with a lower price shall be accepted.

[4] CSD shall notify all offerors in a compulsory sale or compulsory purchase whether their offers have been accepted or not, and for the accepted offers the CSD shall carry out clearing and settlement on a DvP (Delivery versus Payment) basis.

[5] Compulsory sale and compulsory purchase of financial instruments shall be carried out in the manner stipulated in these Operating Rules, and pursuant to the CSD Term Schedule Rulebook.

132a. [Deleted]

## **XX. KEEPING ELECTRONIC RECORDS ON FINANCIAL INSTRUMENTS AND KEEPING SECURITIES IN PAPER FORM**

133. [1] The CSD shall permanently keep dematerialised financial instruments in electronic format, and shall prevent any unauthorised access, modifications or loss in case of any malfunction of the information system or natural disasters by making backup copies of all data and establishing a secondary database.

[2] The CSD shall keep original documents used for registration for at least five (5) years, while documents in electronic form shall be kept permanently.

[3] The CSD shall dematerialise securities by registering such securities electronically with the CSD, at the application of the issuer filed through the CSD member acting as corporate agent to the issuer.

## **XXI OTHER CSD TASKS**

134. [Deleted]

135. [Deleted]

]136. [Deleted]

137. The CSD shall make information on all financial instruments registered with the CSD public on its website, as provided for by law.

138. The CSD shall develop information technology solutions for conducting its affairs and for its website independently or by retaining third parties.

139. [1] The CSD shall, independently or by retaining third parties, develop and implement application software and other information technology solutions to safeguard the integrity of the CSD information system and the data in its possession.

[2] ‘User of the CSD information system’ means any CSD member or government authority.

[3] Each CSD member shall be allowed access to data in the possession of the CSD that pertain to that member and its clients. Government authorities shall be allowed access to data in the possession of the CSD as envisaged under appropriate legislation.

[4] To ensure access to data in the possession of the CSD, the CSD shall produce and issue to users of its information system smart cards that shall allow secure access and restrict and control access rights, as provided for under appropriate legislation.

[5] Users of the CSD information system shall apply with the CSD for the production, renewal, or revocation of smart cards or change to access privileges, pursuant to instructions published in the CSD client-side web application.

[6] Each smart card certificate shall be valid for a period of one year, after the expiry of which the holder of the smart card shall be required to return the smart card to the CSD for certificate renewal or revocation.

[7] Each user of the CSD information system shall be required to adopt a formal enactment made in writing designating staff members that use CSD software applications in their daily work, and to notify the CSD thereof.

[8] In the event that a staff member assigned a smart card leaves the employ of a user of the CSD information system, or moves to a position that does not require access to CSD software applications, such user shall be required to return the smart card to the CSD and apply for revocation of the smart card certificate.

[9] In the event of any change to staff using the CSD information system in their daily work, each user of the CSD information system shall be required to act as required under Paragraph [6] of this Section promptly.

[10] Each user of the CSD information system shall be required to apply for the issuance of a unique personalised smart card for each staff member who uses the CSD software applications in his or her daily work; such smart card shall contain access credentials that may be known solely to the person in whose name the smart card is issued.

[11] Each smart card shall be presented at the premises of the CSD exclusively to the person in whose name it has been issued, or to such other person as may be authorised by the user of the CSD information system.

[12] In the event that an authorised person takes possession of a smart card, in presenting the smart card the CSD shall be required to guarantee the integrity of the information contained therein. Where a person in whose name a smart card has been issued suspects that the confidentiality of access credentials has been compromised following the presentation of the smart card, such person shall be required to notify the CSD thereof promptly in order for access to the CSD information system to be blocked for that particular card.

[13] The person in whose name a smart card is issued and the user of the CSD information system shall be held liable for any and all actions undertaken through the use of such smart card.

[14] No person may use a smart card except the person in whose name the smart card is issued; the person in whose name a smart card is issued and the user of the CSD information system shall be held liable for any unauthorised use of such smart card.

[15] Where a smart card is lost or stolen, or in the event there are reasons to suspect a breach of confidentiality of access credentials contained therein, the person in whose name the smart card is issued and the user of the CSD information system shall be required to notify the CSD thereof promptly in order for access rights to the CSD information system to be revoked for that particular card.

[16] Each user of the CSD information system shall be required to formally prescribe procedures for staff conduct to prevent unauthorised use of smart cards to access the CSD information system.

139a. [1] Pursuant to the Government Order on general requirements for the issue and sale of government securities in the primary market ('the Order'), the Public Debt Administration of the Ministry of Finance, on behalf of the Republic of Serbia, shall organise and conduct auctions for the purchase of government securities before maturity via an auction platform that shall be part of the CSD Information System ('the Auction Platform').

[2] Only CSD members designated as authorised participants, as envisaged by the Order, shall be allowed access to the Auction Platform.

[3] 'Person authorised to trade in government securities employed by a CSD member' means a person granted the status of authorised person as envisaged by the Order and to whom the CSD has issued a unique personalised smart card and to whom the CSD has granted special authorisation for access to the Auction Platform.

[4] The CSD shall grant special authorisation for access to the Auction Platform to a person authorised to trade in government securities for a period of one year, starting from the date the authorisation is granted, pursuant to the following documentation:

- 1) Application by the CSD member employing the person authorised to trade in government securities for granting of special authorisation for access to the Auction Platform;
- 2) Certificate of the Public Debt Administration attesting that the applying CSD member has been designated as an authorised participant, as envisaged by the Order;
- 3) Certificate of the Public Debt Administration attesting that the person for whom the special authorisation is sought has been designated as an authorised person, as envisaged by the Order.

[5] The CSD shall extend a special authorisation for access to the Auction Platform previously granted to a person authorised to trade in government securities by default for an additional year, subject to the payment of the fee envisaged by the CSD Tariff Rate Rules.

[6] The CSD shall revoke special authorisation for access to the Auction Platform previously granted to a person authorised to trade in government securities pursuant to the following documentation:

- 1) Application by the CSD member with which the person authorised to trade in government securities is or was employed for revocation of special authorisation for access to the Auction Platform;
- 2) Certificate of the Public Debt Administration attesting that the person authorised to trade in government securities has ceased to be designated as an authorised person as envisaged by the Order or that the CSD member that had applied has ceased to be designated as an authorised participant as envisaged by the Order.

[7] Where a person authorised to trade in government securities ceases to be employed by one CSD member and becomes employed by another CSD member, the previous employer of such

person shall be required to comply with Item [6] of this Paragraph, whilst the new employer, where it intends to apply for such person to be granted special authorisation to access the Auction Platform, shall be required to comply with Item [4] of this Paragraph.

[8] Where, pursuant to the Order, the Public Debt Administration suspends a person authorised to trade in government securities, the CSD shall limit the special authorisation of that person for access to the Auction Platform immediately upon receiving the relevant notice of the Public Debt Administration and in accordance with the restrictions stipulated in such notice. Page | 100

[9] Where, pursuant to Paragraph 6s of these Operating Rules, the CSD suspends a CSD member designated as an authorised participant as envisaged by the Order, and the nature and scope of such suspension extend to duties connected with use of the Auction Platform, the CSD shall promptly provide to the Public Debt Administration the formal decision on such suspension.

140. The CSD shall perform tasks pursuant to the membership of the CSD in international organisations.

141. The CSD shall assess and charge fees for the provision of services pursuant to the CSD Tariff Rate Rules.

142. The CSD shall also perform other duties as envisaged by law.

## **XXII. TRANSITIONAL AND FINAL PROVISIONS**

### **Under Enactment 10 No. 2/12-3 of 27 April 2012, as amended by 10 No. 2/12-2 of 26 December 2012 and 10 No. 2/6-3/1 of 9 October 2013**

143. These Operating Rules of the Central Securities Depository and Clearing House shall enter into effect upon being approved by the Securities Commission.

144. These Operating Rules of the Central Securities Depository and Clearing House shall be published on the website of the CSD immediately upon being approved by the Securities Commission.

145. Operating Rules of the Central Securities Depository and Clearing House (*Official Gazette of the Republic of Serbia* Nos. 113/2006, 24/2008, 38/2008, 70/2008, 17/2009, 55/2010 and 102/2010) and 10 No. 2/8-5 of 26 December 2011 shall be repealed as of the entry into effect of these Operating Rules.

## **STAND-ALONE AMENDMENTS TO OPERATING RULES**

### **Under Enactment 10 No. 2-8/21-2 of 25 July 2014**

#### Article 18

A joint-stock company that has registered a capital increase with the Business Registers Agency in compliance with the requirements of an agreement on the sale of socially-owned capital shall be required to register with the CSD the shares issued pursuant to such agreement within six months of the entry into force of these Amendments to the Operating Rules, and shall be required to submit an application accompanied by the following documentation through a CSD member:

- Decision on capital increase enacted by the issuer;

- Procedural decision on excerpt from the record of the Business Registers Agency attesting to the capital increase;
- Enactment by the Privatisation Agency assenting to the fulfilment of the obligation undertaken in the agreement on the sale of socially- or state-owned capital in privatisation, or procedural decision of the Privatisation Agency on the acquisition of own shares by the entity in privatisation.

#### Article 19

[1] As of the entry into force of these Amendments to the Operating Rules, investment fund and voluntary pension fund clients with securities maintained in custody accounts shall be designated as category 'FO'. Securities of other natural and legal persons maintained in custody accounts shall remain in such accounts under the designation 'KS'.

[2] Any new accounts shall be opened pursuant to Section 35 of these Operating Rules.

#### Article 20

Users of the CSD Information System shall be required to adopt procedures envisaged under Article 17 of these Amendments to the Operating Rules within 30 days of their entry into force.

#### Article 21

These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

### **STAND-ALONE AMENDMENT TO OPERATING RULES Under Enactment 10 No. 2-8/23-4-1 of 29 December 2014**

#### Article 11

These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

### **STAND-ALONE AMENDMENTS TO OPERATING RULES Under Enactment 10 No. 2-9/12-2 of 11 December 2015**

#### Article 12

These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

#### Article 13

[1] Where a procedural decision has been issued on the assignment of CFI code and ISIN prior to the entry into force of these Amendments to the Operating Rules but the issuer has not made an application via a CSD member for the opening of an issue account and registration of financial instruments in the account of the issuer with a CSD member and financial instrument accounts of lawful holders within one year of the adoption of such procedural decision, such procedural decision shall cease to be effective.

[2] Issuers that have been issued procedural decisions on the assignment of CFI code and ISIN at least one year prior to the entry into force of these Amendments to the Operating Rules shall be allowed a period of 30 days from the entry into force of these Amendments to the Operating Rules to make the application referred to in Paragraph [1] of this Article, on the expiry of which these procedural decisions shall cease to be effective.

#### Article 14

[1] Joint-stock companies that have completed liquidation procedure, altered their form of incorporation, or notified status changes with the Business Registers Agency but have not de-registered shares from the CSD shall be required to submit the documents required under Sections 26b, 26v, and 26g of these Operating Rules to the CSD via a CSD member within six months of the entry into force of these Operating Rules.

[2] Upon the expiry of the time limit referred to in Paragraph [1] of this Article, the CSD shall de-register the shares pursuant to information from the Business Registers Agency.

#### Article 15

Provisions of these Amendments to the Operating Rules concerning Sections 64, 84, and 127a shall enter into force on 1 January 2016.

### **STAND-ALONE AMENDMENTS TO OPERATING RULES Under Enactment 10 No. 2-9/18-2 of 18 March 2016**

#### Article 8

[1] These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

[2] Notwithstanding Paragraph [1] of this Article, Articles 3 and 4 of these Amendments (concerning Sections 99a and 99b of the Operating Rules) shall enter into effect 60 days following the entry into force of these Amendments to the Operating Rules.

### **STAND-ALONE AMENDMENTS TO OPERATING RULES Under Enactment 10 No. 2-9/33-2 of 18 January 2018**

#### Article 30

[1] These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

### **STAND-ALONE AMENDMENTS TO OPERATING RULES Under Enactment 10 No. 2-9/36-7 of 22 March 2018**

#### Article 2

[1] These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

## **STAND-ALONE AMENDMENTS TO OPERATING RULES Under Enactment 10 No. 2-9/39-2 of 10 October 2018**

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### **Article 1**

Compulsory share purchase procedures commenced by the CSD prior to the entry into effect of the Law Amending the Companies Law (*Official Gazette of the Republic of Serbia*, No. 44/18) shall be completed pursuant to provisions of Articles 515 to 521 and 523 of the Companies Law (*Official Gazette of the Republic of Serbia*, Nos. 36/11, 99/11, 83/14 – Other Law, and 5/15).

### **Article 2**

Procedures for sale of shares where the shareholders are entitled to sale and where applications for such sale were submitted to joint-stock companies prior to the entry into effect of the Law Amending the Companies Law (*Official Gazette of the Republic of Serbia*, No. 44/18) shall be completed pursuant to provisions of Articles 522 and 523 of the Companies Law (*Official Gazette of the Republic of Serbia*, Nos. 36/11, 99/11, 83/14 – Other Law, and 5/15).

### **Article 3**

[1] These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

## **STAND-ALONE AMENDMENTS TO OPERATING RULES Under Enactment 10 No. 2-9/40-4 of 26 December 2018**

### **Article 1**

[1] These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

## **STAND-ALONE AMENDMENTS TO OPERATING RULES Under Enactment 10 No. 2-9/46-2 of 25 June 2019**

### **Article 2**

[1] These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

**STAND-ALONE AMENDMENTS TO OPERATING RULES**  
**Under Enactment 10 No. 2-9/51-1 of 22 January 2020**

Article 1

[1] These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved. Page | 104

**STAND-ALONE AMENDMENTS TO OPERATING RULES**  
**Under Enactment 10 No. 2-9/54-4 of 25 March 2020**

Article 5

These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

**STAND-ALONE AMENDMENTS TO OPERATING RULES**  
**Under Enactment 10 No. 2-9/67-2 of 23 August 2021**

Article 2

These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

**STAND-ALONE AMENDMENTS TO OPERATING RULES**  
**Under Enactment 10 No. 2-9/76-3 of 5 October 2022**

Article 71

[1] A pledge registered in the financial instrument account of a client that is maintained by a CSD member on the effective date of these Operating Rules shall remain registered in the financial instrument account maintained by that CSD member.

[2] Any new registrations (of contractual pledges, pledges and bans on disposal in enforcement procedure, temporary or prior injunctions) in connection with the financial instruments of the client referred to in Paragraph [1] of this Article shall be made by the CSD in the appropriate account with the CSD.

[3] The relevant member shall delete the pledges referred to in Paragraph [1] of this Article, except where multiple registrations have been made in sequence, in which case the CSD shall delete such pledge.

[3] Recovery by sale of the financial instruments referred to in Paragraph [1] of this Article shall be performed by the CSD member referred to in Paragraph [1] of this Article where multiple registrations have been made in sequence.



## Article 72

All registered pledges shall be registered with the Register of pledges on the effective date of these Operating Rules.

## Article 73

These Amendments to the Operating Rules of the CSD shall enter into force upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

## Article 74

These Amendments to the Operating Rules of the CSD shall enter into effect on 5 January 2023.

### **STAND-ALONE AMENDMENTS TO OPERATING RULES Under Enactment 10 No. 2-9/80-3 of 31 January 2023**

## Article 16

These Amendments to the Operating Rules of the CSD shall enter into force and effect upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

### **STAND-ALONE AMENDMENTS TO OPERATING RULES Under Enactment 10 No. 2/9-81/2 of 6 February 2023**

## Article 3

[1] These Amendments to the Operating Rules of the CSD shall enter into force upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

[2] These Amendments to the Operating Rules of the CSD shall enter into effect on 2 February 2023.

### **STAND-ALONE AMENDMENTS TO OPERATING RULES Under Enactment 10 No. 2-10/2-2 of 31 August 2023**

## Article 9

[1] These Amendments to the Operating Rules of the CSD shall enter into force upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

**STAND-ALONE AMENDMENTS TO OPERATING RULES**  
**Under Enactment 10 No. 2-10/3-2 of 4 October 2023**

Transitional and Final Provisions

Article 3

[1] Any persons authorised to trade in government securities who have been granted special authorisation to access the Auction Platform for the purpose of taking part in auctions for the purchase of government securities before maturity as of the effective date of these amendments to the Operating Rules shall have such special authorisation automatically extended by the CSD to also allow access to the Auction Platform for the purpose of taking part in auctions for the primary sale of government securities at the latest by 31 October 2023 without any specific application thereto by a CSD member and free of charge as envisaged by the CSD Tariff Rate Rules.

[2] CSD members whose staff have been, prior to the entry into effect of these amendments to the Operating Rules, issued unique personalised smart cards but not granted special authorisation to access the Auction Platform, may apply for the granting of such special authorisation with the CSD as envisaged by Paragraph 139a of these Operating Rules.

[3] CSD members whose staff have not been, prior to the entry into effect of these amendments to the Operating Rules, issued unique personalised smart cards, may apply for the issuance of such smart cards and granting of special authorisation to access the Auction Platform pursuant to Paragraphs 139 and 139a of these Operating Rules.

Article 4

These Amendments to the Operating Rules of the CSD shall enter into force and become effective upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

**STAND-ALONE AMENDMENTS TO OPERATING RULES**  
**Under Enactment 10 No. 2-10/5-6 of 31 January 2024**

Transitional and Final Provisions

Article 10

[1] The CSD shall, within 15 days of the entry into force of these amendments to the Operating Rules, request its members to submit the documentation needed by the CSD to perform customer due diligence actions within the meaning of Article 7, Paragraph [1], Items 1) to 5) of the anti-money laundering and counter terrorist financing law.

[2] In the event that the CSD is unable to perform customer due diligence actions within two months of making the request referred to in Paragraph [1] of this Article, the CSD shall unilaterally repudiate the agreement with the member following the procedure envisaged in Section 6r of the Operating Rules.

Article 11

These Amendments to the Operating Rules of the CSD shall enter into force and become effective upon being approved by the Securities Commission and shall be published on the CSD website immediately upon being so approved.

**This Consolidated Version of the Operating Rules of the CSD comprises:**

- **Operating Rules of the CSD, 10 No. 2/12-3 of 27 April 2012;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2/12-2 of 26 December 2012;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2/6-3/1 of 09 October 2013;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-8/21-2 of 25 July 2014;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-8/23-4-1 of 29 December 2014;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/12-2 of 11 December 2015;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/18-2 of 18 March 2016;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/33-2 of 18 January 2018;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/36-7 of 22 March 2018;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/39-2 of 10 October 2018;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/40-4 of 26 December 2018;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/46-2 of 26 June 2019;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/51-1 of 22 January 2020;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/54-4 of 25 March 2020;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/67-2 of 23 August 2021;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/76-3 of 5 October 2022;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/80-3 of 31 January 2023;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-9/81-2 of 6 February 2023;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-10/2-2 of 31 August 2023;**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-10/3-2 of 4 October 2023; and**
- **Amendments to the Operating Rules of the CSD, 10 No. 2-10/5-6 of 31 January 2024.**