

# Rulebook on the contents and form of applications for professional investor status for certain legal entities



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In the event there may be discrepancies which arise between the Serbian and English versions of the document, the Serbian version is the legally binding document.

Pursuant to the Article 11 paragraphs 2, 3 and 5 of the Law on Market of Securities and Other Financial Instruments (“RS Official Gazette”, No. 47/06 and pursuant to the Decree on detailed criteria for assessment of professional investor statuses for certain legal entities (RS “Official Gazette No. 19/07), the Securities Commission adopts

Subject

Article 1

This Rulebook prescribes the form and contents of the applications for establishing the status of professional investors.

Legal entities, the applicants

Article 2

The legal entities which may file applications to the Securities Commission (hereinafter referred to as: Commission) for acquiring a status of professional investors are: banks, insurance companies, broker-dealer companies, investment fund management companies or pension companies and investment and pension funds with registered office in Organization for Economic Cooperation and Development member countries (hereinafter referred to as: OECD), European Union member countries (hereinafter referred to as: EU), and other legal entities headquartered in the Republic or OECD or EU member countries, who invest in securities in order to make profit on the basis of price differences or to protect financial assets from market risks, i.e. to exercise rights stemming from the securities.

A professional investor fulfilling the criteria from Article 4, paragraph 1 of the Decree

Article 3

A legal entity which plans to acquire a status of a professional investor according to the criteria set in Article 4, paragraph 1 of the Decree on detailed criteria for establishment of the status of professional investors for certain legal entities (hereinafter referred to as: the Decree) shall file an application PI-1 (available on the Commission web site).

The application shall contain the following:

1. The basic data of the application filer (business name, head office, ID number and TIN, number of decision of entry into business registry or other relevant registry, basic business activity, name of the director or authorized person, phone number and e-mail address of the person authorized for contact with the Commission,
2. Data on value of the assets and value of the basic capital according to the latest financial report, in euros,
3. Data on number and value of the performed securities transactions on the financial market, broken down in quarters, during the last 12 months prior to application filing,

4. A statement on meeting the criteria from Article 4, paragraph 1 of the Decree.

Documents accompanying the application

#### Article 4

The application shall also contain the following documents:

1. A resident legal entity shall submit a business registry statement, not older than 30 days, with the names of the persons authorized for representing the entity,
2. A foreign legal entity shall submit an original statement from the business registry, or other relevant registry, not older than 30 days, which clearly shows the organization form of the entity, head office, address, names of persons authorized for representing the entity, stamped power-of-attorney which authorizes a person for receipt of documents, or for undertaking other legal actions in the procedure (business name, head office, address, name and address of the power-of-attorney holder), while the authorized person may also be a lawyer, a bank, or a broker-dealer company from RS,
3. The latest adopted financial statements with an opinion of a certified auditor
4. The relevant proof of performed transactions during the previous 12 months
5. The evidence of payment of the fee.

It is necessary to attach certified translations of documents in Serbian along with the original documents in a foreign language.

The Commission shall issue a decision on approval of the professional investor status if the application contains all the needed data, if the data meet the requirements set in Article 4, paragraph 1 of the Decree and if the accompanying documents prescribed by this Rulebook have been enclosed with the application.

In accordance with the decisions from the previous paragraph, the Commission shall keep the Registry of professional investors (hereinafter referred to as: Registry).

Excerpts from the Registry

#### Article 5

Securities issuers as well as all interested persons may obtain an excerpt from the Registry of professional investors.

The Commission shall charge a fee for issuing the excerpt from the registry, according to its Tariff Rules.

Duration of the status

#### Article 6

The entity which obtained the status of professional investor by being registered according to the procedure and manner described in articles 3 and 4 of this Rulebook, shall keep that status for a year, and that period shall start to lapse on the date of entry into the registry.

Prolongation of the status

#### Article 7

A professional investor may request the prolongation of the status a month before the period of one year has lapsed, at the earliest.

The applicant shall submit the application and documents from the Article 4, paragraph 1, items 3)-5) of this Rulebook, along with the request for professional investor status prolongation. In the case there have been some changes in the previous year related to the rest of the data and documents from the Article 4 of this Rulebook, the applicant shall submit these documents also.

The Commission shall accept the prolongation of the professional investor status if the application contains all the needed data, if the data meet the requirements set in Article 4, paragraph 1 of the Decree and if the accompanying documents prescribed by this Rulebook have been enclosed with the application.

If the applicant prolonged the professional investor status, the Commission shall issue a decision on prolongation of the status for another year, starting from the date of expiration of the previous status.

After one year of registration has lapsed, the Commission shall remove the entity from the Registry unless the entity filed a request for prolongation of the status.

A professional investor fulfilling the criteria from Article 4, paragraph 2 of the Decree

#### Article 8

A legal entity planning to acquire a status of a professional investor according to the criteria set in Article 4, paragraph 2 of the Decree, shall file an application PI-2 (available on the Commission web site).

The application shall contain the following:

1. The basic data of the application filer (business name, head office, ID number and TIN, number of decision of entry into business register or other relevant register, name of the director or authorized person,
2. Data on value of the assets and value of the basic capital according to the latest financial report,
3. Data on basic business activity and period of business activities in the mentioned business area,
4. The data on public company- issuer (business name, head office, ID number and TIN, number of decision of entry into business register or other relevant register, basic business activity, name of the director or authorized person), and on securities of the issuer in which the applicant plans to invest,
5. A statement on meeting the criteria from Article 4, paragraph 2 of the Decree.

Documents accompanying the application

#### Article 9

The application shall also contain the following documents:

1. A resident legal entity shall submit a business registry statement, not older than 30 days, with the names of the persons authorized for representing the entity,

2. A foreign legal entity shall submit an original statement from the business registry, or other relevant registry, not older than 30 days, which clearly shows the organization form of the entity, type of business activity, head office, address, names of persons authorized for representing the entity, stamped power-of-attorney which authorizes a person for receipt of documents, or for undertaking other legal actions in the procedure (business name, head office, address, name and address of the power-of-attorney holder), while the authorized person may also be a lawyer, a bank, or a broker-dealer company from RS,
3. Articles of Association, or other relevant documents proving that the applicant has been active in the mentioned business area, which is of the same type as the business activity of the public company in whose securities the entity plans to invest,
4. The latest adopted financial statements of the applicant with an opinion of a certified auditor
5. An excerpt from the company registry for a public company- an issuer,
6. A written consent of the Managing board of the public company- issuer from the item 5 of this paragraph for the planned investment of the applicant into the public company's securities,
7. The evidence of payment of the fee.

It is necessary to attach certified translations of documents in Serbian along with the original documents in a foreign language.

The Commission shall issue a decision on approval of the professional investor status if the application contains all the needed data, if the data meet the requirements set in Article 4, paragraph 2 of the Decree and if the accompanying documents prescribed by this Rulebook have been enclosed with the application.

The approval of the Commission from the previous paragraph shall be valid for that particular investment only, for each following investment a new approval shall be sought.

In accordance with the decisions from the paragraph 3 of this article, the Commission shall keep the Registry of professional investors.

#### Article 10

This Rulebook shall be effective on the eighth day from its publication in the RS Official Gazette.

No: 2/0-03-753/11-06

Belgrade, March 9th, 2007

THE PRESIDENT OF THE COMMISSION

Milko Štimac, signed

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