

# Regulation on the contents and form of prospectuses and other documents submitted for issue of securities



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## GENERAL PROVISIONS

### Article 1

This Rulebook shall govern:

- 1) contents and form of the request for approval of a prospectus for issue of securities and supplements thereto;
- 2) contents and form of the request for approval of prospectuses for issue of short term securities;
- 3) contents and form of prospectuses for issue of securities, simplified prospectus and a simplified prospectus for issue of short term securities;
- 4) the contents of a decision on issue of securities in a public offering;
- 5) conditions for publishing preliminary prospectuses and shelf prospectuses;
- 6) the contents and form of prospectuses for issue of securities of a foreign legal person, registration of prospectuses of foreign securities, procedures and conditions for issue and trade of deposit certificates;
- 7) the contents of a public solicitation for subscription and payment of securities, the manner of its publishing and the contents of the subscription form;
- 8) the contents and manner of publishing the report on the outcome of the public offer;
- 9) the contents and form of the request for approval of the Initial Public Offering of securities (without a prospectus) to a known buyer;
- 10) the contents of the notification on issue of securities without a public offer to a known buyer and of the decision on issue of securities without a public offer to a known buyer.
- 11) the contents and form of the request for approval for issue of securities to a known buyer;
- 12) the contents and form of the request for admission to trading of securities on the regulated market in compliance with Article 57 of the Law on securities and other financial instruments by approval of prospectus (hereinafter: the Law);
- 13) the contents and form of the request for approval of issue of securities without a prospectus, in compliance with Article 59 of the Law, the contents and form of the notification on issue of securities without a public offer, in compliance with Article 59 of the Law and the decision on issue of securities without a public offer;

## APPROVAL OF PROSPECTUSES FOR ISSUE OF SECURITIES

Contents and form of the request for approval of prospectuses for issue of securities

### Article 2

The person intending to issue securities in a public offer, as well as a foreign legal person who has already offered issued securities to the public shall submit to the Commission the following:

- 1) the request for approval of the prospectus for issue of securities;
- 2) the request for approval of the simplified prospectus for issuing short-term securities;
- 3) the request for approval of the prospectus for issuing securities of a foreign legal person;

4) the request for registration of the prospectus which has been approved by the body supervising the foreign securities market;

#### Article 3

The request for approval of a prospectus for issue of securities is submitted in order to acquire approval for the prospectus, whereby securities can be offered to the public, issued by a legal person with the registered office in the Republic (hereinafter: domestic legal persons), local self-government units, legal entities – budget beneficiaries and institutions of mandatory social insurance, in compliance with the Law, as well as foreign legal persons.

The request referred to in the previous paragraph shall contain:

- 1) business name, registered office, issuer's identification and tax number (hereinafter – the issuer);
- 2) the code and description of the issuer's core activity;
- 3) name and surname of the issuer's general manager;
- 4) telephone number(s) and an e-mail of the issuer;
- 5) business name and registered office of the agent, i.e. underwriter of the issue;
- 6) telephone number(s) and an e-mail of the agent, i.e. underwriter of the issue;
- 7) data concerning the securities to be issued, including:
  - type of securities according to the Codebook of the Central Register, CFI Codes and ISIN Codes of securities,
  - issue symbol of securities;
  - volume of the issue, the aggregate number of securities, nominal value and their selling price;
- 8) business name and registered office of the regulated market, where the securities are to be admitted to trading;
- 9) a list of documents to be submitted along with the request;
- 10) name and surname, telephone number(s) and an e-mail and/or postal address of the person authorized by the issuer to contact the Securities Commission as regards the request;
- 11) the date of submission of the request, issuer's seal, name and surname of the person authorized to represent the issuer.

The request forms are available on the website of the Commission.

Documents submitted with the request for approval of the prospectus for issue of securities

#### Article 4

Along with the request for approval of the prospectus for issue of securities, the following shall be submitted:

- 1) decision of the issuer on issue of securities and their admittance to trading on a specifically determined stock exchange market i.e. over-the-counter market;
- 2) a copy of the prospectus for issue of securities;
- 3) a copy of the simplified prospectus for issue of securities;
- 4) an excerpt from the simplified prospectus with a public solicitation for subscription and payment of securities;
- 5) Memorandum of Association of the issuer and the Articles of Association;
- 6) resolution on entry in the Register of Companies;
- 7) financial statements for the last three years, with an auditor's report;
- 8) liquidity certificate issued by the National Bank of Serbia, for the last 60 days, prior to submittance of the request;
- 9) consent of the competent authority, if determined by this or another Law that the issue of securities is allowed only with the prior consent of such authority;
- 10) a copy of the contract concluded between the issuer and the agent, i.e. underwriter of the issue, if the issuer engaged an agent, i.e. underwriter;
- 11) contract with the market operator on admittance of securities on the stock exchange market i.e.

over-the-counter market;

12) a statement of the responsible person of the issuer that the obligation of reporting prescribed by the Law has been met, with relevant evidence attached;

13) other documents proving the information in the prospectus are correct, submittance of which is required by the Commission;

14) evidence of payment of the relevant fee to the Commission.

When a public company referred to in Article 9, of the Law (hereinafter: public company), whose prospectus for issue of securities has been approved in the last 12 months, files a request for approval of another securities prospectus, the company is not obligated to submit the documents referred to in Article 25, paragraph 2, items 6 to 9 of the Law, save the information that have undergone a change, or a statement of the competent body that such changes did not occur, if these are non-publishable information, in accordance with Articles 64 - 67 of the Law.

When the issuer, who has the preliminary or the shelf prospectus approved, submits the request referred to in Article 2, item 1 of this Regulation for issue of securities, the preliminary or the shelf prospectus refer to, article 3, paragraph 2 of the present regulation shall apply accordingly to the contents and the form of the request and the documents to be submitted with the request.

The Securities Commission may employ other relevant experts if it estimates that such employment is necessary for determining authenticity and accuracy of the submitted documents.

The contents of a decision on issue of securities in a public offer

#### Article 5

The decision adopted by the shareholders' meeting on issue of shares in a public offer and thereby having the initial capital increased shall contain:

Volume, type and their nominal value i.e. book value when the shares are issued without the nominal value, selling price at issue, purpose of the issue, place and time for subscription and payments of shares, and the manner ensuring equal treatment of all persons, who within the given period and under the set conditions, have conducted the subscription and payment. The decision shall also contain rights of shareholders stemming from the issued shares, the success threshold for the issue, how the preemption rights to subscription of shares are exercised and precisely defined the stock exchange i.e., over-the-counter market where the issued shares will be admitted to trading.

Provisions of paragraph 1 of this Article shall apply accordingly to the contents of the decision on issue of securities in a public offer.

Several proposals of decisions referred to in paragraphs 1 and 2 of this Article are available on the website of the Commission.

The request for approval of the preliminary and shelf prospectus for issue of securities

#### Article 6

The person intending to issue securities in a public offer, prior to submitting the request for approval of a prospectus for issue of securities may submit to the Commission the following:

1) the request for approval of the preliminary prospectus for issue of securities;

2) the request for approval of the shelf prospectus for issue of securities;

Provisions of Article 3, paragraph 2 of the present Regulation shall apply accordingly to the contents and form of the request referred to in paragraph 1 of this Article, however:

1) the request for approval and the preliminary prospectus do not provide information about the prices of securities, interest rate and underwriters of the issue.

2) the request for approval and the shelf prospectus do not provide information about the prices of securities and the interest rate.

Approval request for a supplement to a prospectus

#### Article 7

A request for approval of a supplement to a prospectus shall be submitted in order to amend or change the information contained in a securities prospectus, preliminary or shelf prospectus, when such circumstances occur which are related to the material facts published in the prospectus as well as other circumstances which might influence making a final investment decision.

The request referred to in paragraph 1 of this Article shall contain the following:

1) the number under which the approval procedure for issue of a supplemented prospectus is filed with the Securities Commission;

2) a short description of data which are being amended or changed.

Together with the request referred to in paragraph 1 of this Article, the following shall be submitted:

1) supplement to the prospectus;

2) a copy of the previous request for approval of the prospectus for which a supplement is being submitted;

3) documents proving the information in the supplement to the prospectus is correct;

4) evidence of payment of the relevant fee to the Commission;

5) other documents required by the Securities Commission.

### CONTENTS AND FORM OF A PROSPECTUS, SIMPLIFIED PROSPECTUS, AND SUPPLEMENT TO A PROSPECTUS

Contents of a prospectus for issue of securities

#### Article 8

The person intending to issue securities in a public offer shall prepare and submit to the Securities Commission a prospectus for issue of securities developed in accordance with this Regulation.

The activities on preparation, submission or publication of a prospectus for issue of securities can be conducted by the issuer or delegated to the agent, i.e. underwriter of the issue in accordance with the contract (for organizing the issue of securities) concluded with the issuer.

A prospectus for issue of securities shall contain information which, given the nature of the issuer's activity and the type of securities to be issued, enables investors to carry out an objective assessment of the financial position, balance of total assets and liabilities, profit and expenditure, money flows, legal status, potential business performances and other relevant facts and circumstances as regards the issuer, as well as assessment of rights and obligations arising from such securities.

A prospectus for issue of securities cannot contain information which might be misleading for investors with respect to the issuer, securities to be issued in compliance with the prospectus, and securities of the issuer that have already been admitted to trading.

#### Article 9

The Securities Commission may order an issuer:

1) to put a special emphasis on certain information of importance for making an objective assessment about the issuer and securities to be issued or to state information not specifically required for publication in this Regulation but is connected to the documents;

2) to omit certain information from the prospectus for issue of securities:

- if such information might be misleading to investors as regards the issuer and securities to be issued;

- if the publication of such information would jeopardize the public order, public's safety, public morals or life and health of people;

The Securities Commission may allow omission from a prospectus of otherwise obligatory

information, upon the issuer's substantiated request:

- 1) if there is a justifiable fear that publication of such information would materially jeopardize issuer's business interests, and the information is not of significant importance to the objective assessment the prospectus should provide;
- 2) if such information are not and cannot be available to the issuer.

#### Article 10

When obligations as regards securities are secured by a guarantee or surety, the prospectus for issue of securities must contain information about the guarantor i.e. suretor, presented in an identical manner as the information about the issuer in the prospectus, as well as important features of their rights and obligations stemming from the given surety or guarantee, and especially their scope of responsibility, relationship with the creditor, possibility of presenting an objection and other significant features.

Notwithstanding paragraph 1 of this Article, when a proof is offered that the Republic of Serbia is a guarantor, a prospectus for issue of securities does not have to contain information about the guarantor presented in an identical manner as the information about the issuer in the prospectus.

When obligations as regards securities are secured by a property, the prospectus for issue of securities states relevant and significant features of the property, especially including:

- 1) type, number, quality and state of the property;
- 2) price, i.e. estimated value of the property and the method used for evaluation;
- 3) location where the property is situated;
- 4) the legal status of the property (business name and registered office, i.e. the owner's name, real and other burdens the property carries, administrative and other constraints on the legal trading of the property);
- 5) other relevant features material to the value of the property as well as the possibility to use it as an insurance asset.

When obligations as regards securities are secured by certain instruments, i.e. the prospectus for issue of securities states relevant and significant features of the instruments, especially including:

- 1) type of the instrument;
- 2) business name and registered office, i.e. issuer's name;
- 3) rights and obligations stemming from the instruments, the value of the rights and obligations and the method used for evaluation;
- 4) where and how the instrument is deposited;
- 5) legal status (business name and registered office, i.e. names of bearers of rights and obligations stemming from the instruments, real and other burdens to the rights contained in the instruments, restrictions on assignment of instruments, and especially the way the assignment is restricted to the bearer of rights stemming from the instruments);
- 6) other relevant features material to the value and quality of the instruments.

When obligations as regards securities are secured by a receivable based on a loan or credit contract, the prospectus for issue of securities states:

- 1) the type of contract (loan agreement or credit agreement);
- 2) the subject of contract (real estate or movables and the type of the property);
- 3) the number of the contract;
- 4) total value of receivables on all contracts, harmonization with financial statements, maintenance of the value and the allocation policy on the assets obtained from debt collection;
- 5) the type of receivables on contracts serving as a collateral (all receivables, receivables on interest rates only or only receivables on the principal);
- 6) legal status (restrictions on transfer of receivables, especially the manner in which such transfer is restricted to the bearer of rights from the contract);
- 7) how the receivables are expressed;
- 8) where and how the contracts are deposited.

The contracts referred to in paragraph 5 of this Article, must be standardized according to their class and the subject of the contracts, and receivables on the contracts cannot be burdened by a lien right of third parties.

When obligations as regards securities are secured by issued securities and other financial instruments referred to in Article 21 of the Law, the prospectus shall state the following elements from the prospectus for issue of securities regarding the issued securities:

1) information about the securities, especially including:

- type, class, issue symbol, CFI code and ISIN number or other internationally recognized indication if the securities are issued abroad);
- date of issue.
- nominal, book and market value and other relevant information;

2) the method used for determining the value relation of securities used as a collateral and issued securities as well as the date of determining the value;

3) information about the issuer, especially including:

- its business name and registered office;
- the issuer's core activity;
- registration number of the company, tax identification number and other relevant information,

4) information about the prospectus of the instruments, especially including:

- date and place of issue;
- the place where the prospectus may be inspected or obtained;
- the number and date of the decision on approval of the prospectus;
- information regarding the place where the financial statements and auditor's report may be inspected or a copy thereof obtained;

5) an evidence attesting the securities are registered with the Central Register as well as evidence that no entry of third-party rights on securities was executed.

When the prospectus for issue of securities concerns securities imparting the right to exchange or purchase securities of other issuers, the prospectus shall also state the elements from the prospectus regarding these securities, referred to in paragraph 7 of this Article.

#### Article 11

When persons such as accountants, lawyers, investment advisors, agents or underwriters, actuaries, appraisers or other persons, hold a capital share of an issuer or possess securities of the issuer, or some other business interest as regards the issuer, save for the interest stemming from providing the professional services or participation in prospectus preparation, or act as members of board of directors or employed by the issuer, the prospectus shall mention this information.

Form of a prospectus for issue of securities

#### Article 12

Text of a prospectus for issue of securities shall be printed in the Serbian language, but it can be published in another foreign language as well.

A prospectus for issue of securities may contain charts and tables in relation to the text in the prospectus, issuer's and agent's logo i.e. logo of the underwriter participating in the issue organization.

Photographs in the prospectus for issue of securities may only show issuer's products.

A prospectus for issue of securities shall be composed of a continuous text.

A prospectus for issue of securities shall be distributed in hard copies, with A4 format pages.

Text of a prospectus for issue of securities shall be published using one of the standardized formats.

A summary of the contents of a prospectus for issue of securities shall be placed at the beginning of the prospectus.

Ahead of the introductory part of a prospectus the following statement shall be printed at the

beginning of the text, on the first page:

“The Securities Commission shall neither be held responsible for the truthfulness and accuracy of the information stated herein nor for the ability of the issuer of securities to meet the obligations stemming from the issued securities.”

Ahead of the main part of a prospectus the following statements shall be given at the beginning of the text:

“The securities prospectus contains all information relevant for making an objective investment estimate of the financial and legal status of the issuer of securities as well as an estimate of rights and obligations arising from the securities.”

“The securities prospectus does not contain information which might be misleading for investors with regard to the issuer, securities to be issued and securities of the issuer that have already been issued.”

A prospectus for issue of securities shall be sealed and signed by the person who has been given the authority to represent the issuer. A prospectus may be signed by other persons as well, who have participated in making and preparation of the prospectus.

Information contained in the prospectus is entered according to the order set in accordance with the present regulation.

#### Article 13

A prospectus for issue of securities shall contain:

- 1) the introductory part of the prospectus, which contains the basic information about the issuer, information about securities to be issued and the purpose of the funds collected by issue of such securities;
- 2) the basic prospectus, which contains detailed information about the issuer, business activities of the issuer and information about the issued securities which were not withdrawn i.e. whose maturity period has not expired.

Financial information contained in the securities prospectus is entered according to financial statements created in accordance with the regulations governing accounting and auditing.

The guide about the contents and form of prospectuses for issue of securities and long term debt securities is attached to the present regulation and it represents an integral part hereof (Appendix 1 and 2).

Financial information contained in the securities prospectus is entered according to financial statements for the last three years.

When an issuer does business for a period less than 3 years, financial information in the securities prospectus are given according to financial statements for the period from establishment to the submission of the approval request for issue of securities.

#### Contents and form of a simplified prospectus for issue of securities

#### Article 14

A simplified prospectus for issue of equity and long term debt securities is an excerpt from a prospectus which is published publicly and which contains information from the introductory part of the prospectus, prescribed by The Guide about the Contents and Form of Simplified Prospectuses which represents an integral part hereof (Appendix 1a and 2a).

The person intending to issue securities by a public offer shall prepare and submit a simplified prospectus to the Commission.

Information contained in a simplified prospectus must be in accordance with the information from the prospectus and submitted documentation.

A simplified prospectus must be created in an easy-to-survey manner.

Articles 8 and 12 of the present Regulation shall apply accordingly to simplified prospectuses.

## Contents and form of a supplement to a prospectus

### Article 15

A supplement to a prospectus is an integral part of the prospectus and it shall contain:

- 1) information which supplement the prospectus, preliminary or shelf prospectus for issue of securities in accordance with Article 33 paragraph 1 of the Law, when such circumstances occur or are altered which might have a significant impact to the securities to be issued;
- 2) information which supplement a preliminary i.e. shelf prospectus in accordance with Article 34, paragraph 1 of the Law, but which were not published in accordance with Article 30, paragraph 2 of the Law.

The issuer shall send the supplement to the prospectus for issue of securities to all persons who have conducted subscription and payment of securities and place the supplement at locations envisaged for subscription and payment.

The issuer shall forward a copy of the prospectus supplement to all persons entered in the records kept by the issuer and/or broker-dealer company referred to in Article 31, paragraph 3 of the Law. Information given in the prospectus supplement shall also contain a correct indication of the section, chapter and paragraph being amended in the prospectus.

Article 12 of the present Regulation shall apply accordingly to the form of a prospectus supplement.

Information contained in the prospectus is entered according to the order set for prospectuses in accordance with the present Regulation.

## Conditions for publication of preliminary prospectuses

### Article 16

Articles 8 to 13 of the present Regulation shall apply accordingly to the contents and form of preliminary prospectuses.

A preliminary prospectus does not contain information about the price of securities, interest rate amount and underwriters of the issue.

The issuer and the broker-dealer company authorized by the issuer shall deliver to all interested persons, at request, a copy of the preliminary prospectus approved by the Securities Commission, keep records on such persons and provide protection of records from unauthorized use, changes and loss.

The records referred to in paragraph 3 of this Article shall contain:

- 1) name and surname, i.e. business name and address of the person;
- 2) business name of the issuer and the number and date of the decision on approval of the preliminary prospectus;
- 3) basic information about other documents which have been sent to persons from the records and the date of their delivery.

A preliminary prospectus may be published publicly for a maximum period of six months from the day of rendering the decision on its approval.

Publishing of the preliminary prospectus shall be permitted from the day the approval decision has been passed to the day the approval decision on the prospectus for issue of securities is passed, but it shall not be permitted to perform subscription or payment of securities the prospectus relates to.

An issuer and a broker-dealer company may disclose information from the prospectus in public and organize presentations with an aim of creating interest in investors for purchase of securities to be issued.

The supplement to a prospectus referred to in Article 15 of this Regulation shall be forwarded to persons from the records in the same manner as the preliminary prospectus has been delivered to them.



The introductory part of a preliminary prospectus shall contain the following statement:

“The preliminary prospectus has been approved by the decision of the Securities Commission. The securities from this prospectus cannot be the subject of a public offering until a prospectus for issue of securities is published. Information contained in the preliminary prospectus is subject to changes and amendments.”

At the expiration of a period of six months from the day the decision on approval of a preliminary prospectus is passed, no request can be made for approval of a prospectus for issue of securities.

#### Conditions for publication of shelf prospectuses

##### Article 17

A joint-stock company intending to issue authorized but unissued shares through a public offer and/or a person intending to issue other securities in a public offer, postponing the commencement of subscription and payment of such securities, shall first obtain from the Commission the approval of the shelf prospectus for issue of securities (hereinafter – the shelf prospectus).

Articles 8 to 13 of the present Regulation shall apply accordingly to the contents and form of shelf prospectuses.

A shelf prospectus does not contain information about the price of securities and the interest rate amount.

The introductory part of a shelf prospectus shall contain the following statement:

“The shelf prospectus has been approved by the decision of the Securities Commission. Securities from this prospectus cannot be the subject of a public offer until a prospectus for issue of securities is published.

Information contained in the shelf prospectus is subject to changes and amendments.”

From the day the decision on approval of the shelf prospectus is passed to the day of the approval decision of the prospectus for issuing securities is made, it shall not be allowed to conduct subscription or payment of the securities that the shelf prospectus relates to.

At the expiration of the period referred to in Article 32, paragraph 7 of the Law, no request can be made for approval of a prospectus for issue of securities.

#### SIMPLIFIED PROSPECTUSES FOR ISSUE OF SHORT-TERM SECURITIES

##### Request for approval of a simplified prospectus for issue of short-term securities

##### Article 18

The request for approval of a simplified prospectus for issue of short-term securities is submitted in order to acquire approval for the simplified prospectus, whereby short-term securities can be offered to the public, which are issued by a legal person with the registered office in the Republic (hereinafter: domestic legal persons), local self-government units, legal entities – budget beneficiaries and institutions of mandatory social insurance, in compliance with the Law.

Provisions of Article 3, paragraph 2 of the present Regulation shall apply accordingly to the contents and form of the request referred to in paragraph 1 of this Article.

The request forms are available on the website of the Commission.

Documents submitted with the request for approval of a simplified prospectus for issue of short-term securities

##### Article 19

Along with the request for approval of the simplified prospectus for issue of short-term securities, the following shall be submitted:

1) issuer’s decision on issue of securities and their admittance to the specifically defined over-the-counter market;

- 2) a copy of the simplified prospectus for issue of securities;
- 3) an excerpt from the simplified prospectus with a public solicitation for subscription and payment of securities;
- 4) Memorandum of Association of the issuer and the Articles of Association;
- 5) resolution on entry in the Register of Companies;
- 6) financial statements of the issuer for the year preceding the year of publication of securities,
- 7) audit report on financial statements, prepared in compliance with the Law regulating accounting and auditing;
- 8) liquidity certificate issued by the National Bank of Serbia, for the last 60 days, prior to submittance of the request, i.e. a relevant certificate issued by the National Bank of Serbia;
- 9) approval of the competent body, if this or other law requires that the issuance of securities shall be allowed only with the previous approval of that body.
- 10) contract with the market operator on admittance of securities on the stock exchange market i.e. over-the-counter market;
- 11) a copy of the contract concluded between the issuer and the agent, i.e. underwriter of the issue, if the issuer engaged an agent, i.e. underwriter;
- 12) other documents proving the information in the prospectus are correct, submittance of which is required by the Commission;
- 13) evidence of payment of the relevant fee to the Commission;

When a public company whose simplified prospectus for issue of short-term securities has been approved in the last 12 months, files a request for approval of the simplified prospectus for issue of short-term securities, it shall not have the obligation to submit the documents referred to in items 4 to 7 of the previous paragraph, save the information that have undergone a change.

Contents and form of a simplified prospectus for issue of short-term securities

#### Article 20

The person intending to issue short-term securities in a public offer shall prepare and submit a simplified prospectus for issue of short-term securities to the Commission.

Articles 8 to 13 and Article 15 of the present Regulation shall apply accordingly to the contents and form of a simplified prospectus for issue of short-term securities.

Financial and accounting information contained in a prospectus for issue of short-term securities is entered according to the audited financial statements for the previous business year.

The guide about the contents and form of simplified prospectuses for issue of short-term securities is attached to the present Regulation as an integral part hereof (Appendix 3).

#### Article 21

The person intending to issue short-term securities in a public offer shall prepare and submit to the Commission and make available to the public an excerpt from the simplified prospectus containing basic information about securities and their issuer.

The excerpt from the simplified prospectus with a public solicitation for subscription and payment of securities shall be published as a special advertisement in at least one daily newspaper distributed throughout the territory of the Republic.

The guide about the contents and form of excerpts from simplified prospectuses with public solicitation for issue of short-term securities is attached to the present Regulation as an integral part hereof (Appendix 3a).

### PROSPECTUSES FOR ISSUE OF SECURITIES OF FOREIGN LEGAL PERSONS AND REGISTRATION OF FOREIGN SECURITIES

A request for approval of a prospectus for issue of securities of a foreign legal person

#### Article 22

A foreign legal person shall submit a request for approval of the prospectus, on the basis of which it may issue securities in a public offer in the Republic.

Provisions of Article 3, paragraph 2 of the present Regulation shall apply accordingly to the contents and form of the request referred to in paragraph 1 of this Article.

A foreign legal person from the OECD or EU member country may issue securities in a public offer in the Republic, if it has the approval of the competent body in charge of supervision of securities market from its country, and with which the Commission has concluded a contract regulating cooperation of the competent bodies in charge of supervision of securities market.

The competent body of the issuer's country of origin confirms by means of the approval referred to in paragraph 3 of this Article, that the foreign legal person has issued and traded securities in its country of origin with approval and under supervision of its regulatory body, and thus it may issue securities in a public offer in the Republic.

Documents to be submitted with request for approval of a prospectus for issue of securities of a foreign legal person

#### Article 23

The following shall be submitted with the request for approval of a prospectus for issue of securities of a foreign legal person:

- 1) consent of the National Bank of Serbia for public offer and circulation of securities of a foreign legal entity;
- 2) contract on organizing the offer and circulation of securities concluded between the foreign legal entity which is the issuer of securities, and the broker-dealer company i.e. authorized bank;
- 3) decision of the issuer on issue of securities and their admittance to trading on a specifically determined stock exchange market i.e. over-the-counter market;
- 4) a copy of the simplified prospectus for issue of securities
- 5) an excerpt from the simplified prospectus with a public solicitation for subscription and payment of securities;
- 6) Memorandum of Association of the issuer;
- 7) An excerpt from the Register of Companies or some other relevant register showing the legal form, registered office, address and a list of persons with power of attorney, not older than 60 days to the day of submitting the request;
- 8) financial statements of the issuer made in accordance with the International Accounting Standards for the last three years, with an auditor's report;
- 9) a relevant liquidity certificate for the last 60 days;
- 10) approval of the competent body, if this or other law requires that the issuance of securities shall be allowed only with the previous approval of that body.
- 11) a contract with the market operator on admittance of securities on the stock exchange market i.e. over-the-counter market;
- 12) Other documentation required by the Commission;
- 13) evidence of payment of the relevant fee to the Commission.

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

Contents and form of a prospectus for issue of securities of a foreign legal person

#### Article 24

Provisions of this Regulation and the present Law about the contents and form of prospectuses for issue of securities shall apply accordingly to the contents and form of prospectuses of foreign legal persons.

A prospectus for issue of securities of a foreign legal person shall contain a short summary from the documents about the foreign rights pertaining to:

- 1) securities the prospectus relates to, and especially the reason and conditions of their issue, the manner of realization of rights stemming from the securities, the manner and conditions for their trade and restrictions thereto;
- 2) status of legal persons, and especially conditions for formation and registration of legal persons, organization of management and supervision, bankruptcy and liquidation, taking the control over management and protection of small shareholders;
- 3) tax obligations of holders of securities, especially the property tax, VAT, sales tax and evasion of double taxation, submitted with a notification i.e. an evidence on obligation of paying the mentioned taxes concerning foreign persons i.e. persons with a registered office in the Republic of Serbia or the persons with the citizenship of the Republic.

A securities prospectus of a foreign legal person shall contain the text of the issuer's written statement that securities of the same type, class, series and with the same CFI code and/or ISIN number or other relevant feature, were not issued concurrently, i.e. that the issuer has or has not an intention to issue them within a certain period abroad, or that they have been issued concurrently abroad, stating the name of the country, method and the place of issue and trade of the securities, the number of issued securities and the prices attained.

#### Request for Registration of Foreign Securities Prospectuses

##### Article 25

Foreign securities shall be securities issued abroad, and whose issue has been approved by the competent body in charge of securities. Securities and other financial instruments issued by domestic legal persons abroad shall also be considered as foreign securities.

The request for registration of a prospectus shall be submitted to the Commission, the prospectus being approved by the authority specified in Article 37, paragraph 1 of the Law, in order to admit the foreign securities to trading on the regulated market in the Republic.

Provisions of Article 3, paragraph 2 of the present Regulation shall apply accordingly to the contents of the request.

#### Documents submitted with a registration request for a foreign securities prospectus

##### Article 26

The following shall be submitted with the request for registration of a prospectus of foreign securities issued abroad, in order to admit them to the regulated market in the Republic:

- 1) The consent of the National Bank of Serbia for offer and circulation of securities in a public offer;
- 2) contract on organizing the offer and circulation of foreign securities concluded between the issuer of securities, and a broker-dealer company i.e. authorized bank;
- 3) approval of the securities prospectus from the competent foreign body supervising the securities market referred to in Article 37, paragraph 1 of the Law;
- 4) approved prospectus, created in accordance with the rules of its country of origin;
- 5) periodical reports that the foreign issuer is obliged to submit to the authority specified in Article 37, paragraph 1 of the Law, not older than six months from the day of submission of the request, made in accordance with the International Accounting Standards;
- 6) A document about the foreign rights pertaining to:
  - securities the prospectus relates to, and especially the reason and conditions of their issue, the manner of realization of rights stemming from the securities, the manner and conditions for their trading and restrictions thereto;
  - status of legal persons, and especially conditions for formation and registration of legal persons, organization of management and supervision, bankruptcy and liquidation, taking the control over

management and protection of small shareholders;

- tax obligations of holders of securities, especially the property tax, VAT, sales tax and evasion of double taxation, submitted with a notification i.e. an evidence on obligation of paying the mentioned taxes concerning foreign persons i.e. persons with a registered office in the Republic of Serbia or the persons with the citizenship of the Republic.

7) rating of the issuer and/or securities conducted by an authorized rating agency (if applicable), not older than six months and other information and documents;

8) evidence of payment of the relevant fee to the Commission.

The issuer's written statement whether the securities of the same type, class, series and with the same CFI code and/or ISIN number or other relevant feature have been traded concurrently, stating the name of the country, method and the place of issue and trade of the securities, the number of traded securities and the prices attained, shall be submitted along with the request. At the same time, a statement shall be submitted that from the approval of the prospectus to submission of the request of its registration there were no changes of information contained therein, and if the changes occurred, relevant evidence supporting the changes shall be submitted as well.

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

## Certificates of Deposit

### Article 27

The public offer of foreign securities may be performed in the form of certificates of deposit at the request of the bank – owner of the foreign securities or bonds deposited with a custody bank abroad.

The bank referred to in paragraph 1 of this Article, shall submit to the Commission a request for approval of a prospectus for issue of certificates of deposit.

Provisions of Article 3, paragraph 2 of the present Regulation shall apply accordingly to the contents and form of the request referred to in paragraph 2 of this Article.

Only a bank can issue certificates of deposit, if:

- 1) it has obtained approval from the National Bank of Serbia for issue of certificates of deposit and
- 2) it has concluded a relevant contract with the issuer of securities on the basis of which certificates of deposit are issued.

The bank shall also submit with the request:

- 1) Decision on issue of certificates of deposit;
- 2) a copy of the prospectus for issue of certificates of deposit;
- 3) a copy of the simplified prospectus for issue of certificates of deposit;
- 4) an excerpt from the simplified prospectus with a public solicitation for subscription and payment of certificates of deposit;
- 5) approval from the National Bank of Serbia for issue of certificates of deposit;
- 6) a contract concluded by the bank with the issuer of foreign securities,
- 7) approval of the securities prospectus from the competent foreign body supervising the securities market referred to in Article 37, paragraph 1 of the Law, on the basis of which certificates of deposit are issued;
- 8) A prospectus approved by the foreign competent body, made in accordance with the regulations of the country it has been approved in, with all relevant documentation confirming changes of information contained in the prospectus which occurred from the moment of its approval to the date of submission of the request for approval of the prospectus for issue of certificates of deposit;
- 9) a contract with the custody bank situated abroad in which the securities are deposited, on the basis of which certificates of deposit are issued.
- 10) decision on entry of the issuer of certificates of deposit in the Register of Companies;
- 11) contract with the market operator on admittance of certificates of deposit on the stock

exchange market i.e. over-the-counter market;

12) periodical reports that the foreign issuer is obliged to submit to the authority specified in Article 37, paragraph 1 of the Law, not older than six months from the day of submission of the request, made in accordance with the International Accounting Standards;

13) A document about the foreign rights pertaining to:

- securities the prospectus relates to, and especially the reason and conditions of their issue, the manner of realization of rights stemming from the securities, the manner and conditions for their trading and restrictions thereto;
- status of legal persons, and especially conditions for formation and registration of legal persons, organization of management and supervision, bankruptcy and liquidation, taking the control over management and protection of small shareholders;
- tax obligations of holders of securities, especially the property tax, VAT, sales tax and evasion of double taxation, submitted with a notification i.e. an evidence on obligation of paying the mentioned taxes concerning foreign persons i.e. persons with a registered office in the Republic of Serbia or the persons with the citizenship of the Republic.

14) rating of the issuer and/or securities on the basis of which certificates of deposit are issued, conducted by an authorized rating agency (if applicable), not older than six months;

15) Documents confirming that the foreign securities serving as a basis for issue of certificates of deposit have been admitted to trading on foreign regulated markets stating the name of the country, method and the place of trade of the securities, the number of traded securities and the prices attained;

16) other information and documents, at the request of the Commission.

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

## PROCEDURES FOR PUBLIC OFFERING OF SECURITIES

Public solicitation for subscription and payment of securities and the contents of the subscription form

### Article 28

The subscription and payment of securities can be conducted under conditions and in the manner referred to in the public solicitation for their subscription and payment, in accordance with the approved prospectus.

A public solicitation for subscription and payment shall be proffered at least three days prior to the day determined in the solicitation for the subscription and payment.

Public solicitation for subscription and payment may be proffered in the electronic media as well.

Subscription of securities shall be conducted in a broker-dealer company or bank – members of the Central Registry, on the basis of the written contract concluded between the broker-dealer company i.e. the bank and the issuer.

Payment of securities shall be executed in a bank, member of the Central Registry, on the basis of the written contract concluded between the bank and the issuer.

When the issue of securities is conducted by a bank, payment of such securities shall be performed in another bank – member of the Central Registry, on the basis of the written contract concluded between such other bank and the issuer.

The issuer or agent, i.e. underwriter of the issue shall submit to the Commission a copy of the published excerpt from the simplified prospectus with the public solicitation for subscription and payment of securities, not later than the following day of its publication.

The issuer shall clearly state the commencement and completion date for subscription and payment of securities as well as the exact number of days of the period for subscription and payment, in accordance with the decision on issue of securities. If the last day for subscription and payment falls on a non-business day (Saturday, Sunday, state or religious holiday), the last day for

subscription and payment shall be the first following business day.

When determining duration of the period for subscription and payment of securities, an issuer should bear in mind that the period for subscription and payment starts elapsing from the day set in the public solicitation as the commencement day for subscription and payment of securities.

The time period envisaged for subscription and payment of securities cannot be shorter than three days.

Promotional materials can be published along with the public solicitation for subscription and payment, such as texts, charts, films, billboards, pamphlets and other promotional materials with an aim of arousing interest in investors for purchase of securities from the public solicitation for subscription and payment.

Any advertisement containing an invitation to purchase of shares, must draw attention to existence of the prospectus, and to mention the locations where potential investors may obtain the prospectus.

The issuer or agent, i.e. underwriter of an issue shall submit draft texts and other promotional materials referred to in paragraph 11 of this Article, as well as the changes in the materials to the Commission, at least three days before their publishing.

The Securities Commission may by passing a decision:

- 1) order the person referred to in the previous paragraph of this Article, to omit certain information from the submitted materials in a set period, because of the reasons envisaged by Article 9, paragraph 1, item 2;
- 2) prohibit publication or further presentation of the materials referred to in paragraph 11 of this Article, if the information referred to in item 1 of this paragraph were not omitted within the determined deadline;
- 3) prohibit further presentation, if the material referred to in paragraph 11 of this Article is published before being submitted to the Securities Commission.

#### Article 29

The IPO procedure of securities shall commence by publication of an excerpt from the simplified prospectus with a public solicitation (the contents of which is stipulated by the Guide, Appendix 1b and 2b) published as a special advertisement in a daily newspaper distributed throughout the Republic. Public solicitation for subscription and payment of securities shall especially contain:

- 1) the commencement date for subscription and payment and the expiration period for subscription and payment of securities (in case a preemption right of subscription exists, separate dates and periods shall be set for their exercise);
- 2) The location and business hours of the broker-dealer company, i.e. bank selected for subscription of securities, where the prospectus can be inspected or where a copy of such prospectus can be obtained;
- 3) the location and business hours of the bank selected for subscription and payment of securities;
- 4) the manner in which distribution of securities to persons who subscribe and pay securities is conducted;

#### Article 30

Persons who do not provide evidence of an opened account of securities to an authorized person cannot conduct subscription and payment of securities.

Until the securities are issued in accordance with Article 49 of the Law, the pecuniary amount paid by the subscribers shall remain in a special-purpose bank account in the bank where subscription of the securities has been conducted.

#### Article 31

Securities are subscribed for by signing a statement on subscription for securities – a subscription form, personally or by proxy, with authorization attached.

The subscription form is issued by the authorized person of the bank or broker-dealer company

and it shall contain:

- 1) type, issue symbol, number of securities, CFI code and ISIN number and the price at which the securities are subscribed for;
- 2) a statement of the subscriber to pay for the securities under the conditions set out in the prospectus for issue of securities;
- 3) a pecuniary amount paid by the subscriber for the subscribed securities;
- 4) a statement of the subscriber that he/she is acquainted with the contents of the prospectus for issue of securities;
- 5) issue date of the subscription form, subscriber's signature, i.e. proxy's signature, address, i.e. registered address of the subscriber.
- 6) signature of the authorized person of the bank or broker-dealer company where subscription for securities is being performed.

Securities shall be issued by their transfer from issuing accounts to the accounts which are opened and held with the Central Registry in compliance with the Law.

#### Decision on Approval of Issuance of Securities

##### Article 32

An issuer shall submit an approval request for issue of securities and submit information about the persons and the number of subscribed and paid securities with relevant evidence attached (a certificate from the broker-dealer company and the bank about the number of subscribed and paid securities), within seven days from the day of expiry of the deadline for subscription for and payment of securities.

The Commission shall pass a decision on the approval of issue of securities within three days from the day of submission of the request referred to in paragraph 1 of this Article, if the subscription for and payment of securities have been performed in compliance with the public solicitation for subscription and payment and with the securities prospectus.

The contents and manner of publishing the report on the outcome of the public offering

##### Article 33

Within three days following the receipt of the approval decision on issue of securities i.e. the rejection of the request for issue of securities, an issuer shall publish the report on the outcome of the public offering in the daily newspaper where it has published the public solicitation for subscription and payment.

The report about the outcome of the public offering shall contain information about the issuer, publicly offered securities, number of subscribed and paid securities, the price at which they were sold and an indication whether the public offering had been successful or not.

The report about the outcome of a public offering shall be submitted on the I-48 form, available on the Commission's website.

The Commission shall submit forthwith the decision on approval for issue of securities to the issuer, the Central Registry and the market operator, pursuant to the decision of the issuer specified in Article 25, paragraph 2, item 2) of the Law.

#### INITIAL PUBLIC OFFERING OF SECURITIES TO KNOWN BUYERS

An approval request for the Initial Public Offering of securities to a known buyer

##### Article 34

An issuer shall submit an approval request for the Initial Public Offering of securities to known buyers to the Commission in accordance with Article 55 of the Law.

Provisions of Article 3, paragraph 2 of the present Regulation shall apply accordingly to the contents and form of the request referred to in paragraph 1 of this Article.



The request form is available on the website of the Commission.

The expression used in paragraph 1 of this Article, a known buyer, shall be construed as:

- 1) The Republic of Serbia;
- 2) The National Bank of Serbia;
- 3) Professional Investors;
- 4) All existing shareholders in compliance with the law regulating companies;
- 5) employees of the issuer, when the shares are issued for employees exclusively in compliance with the law regulating companies.

In terms of the Law, professional investors shall be:

- Banks headquartered in the Republic;
- International financial institutions, such as: The International Bank for Reconstruction and Development, The International Association for Development, The International Finance Corporation and The European Bank for Reconstruction and Development;
- Insurance companies headquartered in the Republic;
- Companies for management of investment and voluntary pension funds headquartered in the Republic;
- Broker-dealer companies headquartered in the Republic;

Apart from the mentioned persons, the following persons may also obtain the status of a professional investor:

- banks, insurance companies, broker-dealer companies, investment fund management companies or pension companies and investment and pension funds with registered office in OECD member countries, EU member countries and other legal persons 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.

At the request of the person specified in the previous paragraph, the Commission shall authorize their status of a professional investor, in the manner prescribed by the regulations of the Commission and the Government.

Documents submitted with the request

#### Article 35

An issuer shall submit to the Commission, prior to commencement of subscription for and payment of securities to be issued without a public offering, the following:

- 1) An approval request for the Initial Public Offering of securities to a known buyer
- 2) a notification on issue of securities without a public offering to known buyers;
- 3) decision on issue of securities without a public offering;
- 4) a contract governing mutual relations of the issuer and the person pertaining to securities, except when the securities are issued to issuer's shareholders or employees for the sole purpose of allocating the shares to such persons, within the meaning of Article 54, paragraph 1, items 4 and 5 of the Law;
- 5) financial statements of the issuer, with an auditor's report, for the last business year;
- 6) a copy of the decision on entry of the issuer in the Register of Companies;
- 7) a copy of the decision on entry in the Register of Companies or the relevant registry for the professional investor;
- 8) for the professional investor referred to in Article 11, paragraph , item 6 of the Law the Commission's decision authorizing the status of a professional investor;
- 9) a signed and sealed list of issuer's employees if the shares are issued for employees;
- 10) a list of shareholders from the Central Registry at the determined day, with rights to subscribe for new issue shares when shares are issued to all existing shareholders;
- 11) a copy of the contract entered between the issuer and the agent of the issue, if such contract has been concluded;

- 12) consent of the competent authority, if determined by the Law that the issue of securities is allowed only with the prior consent of such authority;
- 13) name and surname, telephone number(s) and an e-mail and/or postal address of the person authorized by the issuer to contact the Securities Commission as regards the notification;
- 14) Other documentation required by the Commission;
- 15) evidence of payment of the fee.

#### Decision and Contract

##### Article 36

A decision on issue of securities without a public offering shall contain the following: business name, head office of the issuer of securities, information about securities: type, class, CFI code, ISIN number and volume and purpose of securities, the total number of securities, their nominal value, selling price, other rights of the holders of securities, deadline for subscription and payment of securities, information about buyers of the securities.

The contract governing mutual relations between an issuer and a professional investor shall define, among other things, the number, type, class, issue symbol and the price of securities the professional investor intends to buy – subscribe for and pay in his own name and for his own behalf, on the basis of information and under conditions from the decision.

A notification on issue of securities without a public offering according to Article 54 of the Law

##### Article 37

The notification referred to in Article 55, paragraph 1 of the Law shall contain:

- 1) business name, head office, Identification Code and Tax Identification Number of the issuer;
- 2) business name and registered office of the agent of the issue, if an agent participates in issue organization according to a signed contract with the issuer;
- 3) business name, head office and Identification Code of a buyer of a professional investor, i.e. a list of issuer's employees if the shares are issued to employees or the list of shareholders with rights to subscription for new issue shares on a determined day, when shares are issued to all existing shareholders;
- 4) information concerning securities to be issued, including:
  - type, class, issue symbol, CFI code and ISIN number of securities,
  - issue volume, total number of securities and their nominal value,
  - their selling price,
  - other right of holders of the securities,
  - commencement date and deadline for subscription and payment of securities,
  - the location and business hours of the broker-dealer company, i.e. bank selected for subscription of the securities;
  - the location and business hours of the bank selected for payment of securities;
- 5) an excerpt from the financial statements (balance sheet, income statement, cash flow report, the report on changes of capital for the last business year with a certified auditor's conclusion);

The notification text shall contain an issuer's statement as follows:

"The Securities Commission shall neither be held responsible for the truthfulness and completeness of the information stated herein nor for the ability of the issuer of securities to meet the obligations stemming from the issued securities."

If securities are issued to employees or all existing shareholders, the notification shall contain a remark that shares which are being issued cannot be subject of the secondary public offering in the regulated market for at least 12 months from the day of their issue.

An issuer shall state the location in the notification, where detailed information about the financial and legal position of the issuer can be obtained.

The deadline for subscription for and payment of securities shall not exceed three months from the

day indicated in the notification referred to in paragraph 1 of this Article, for commencement of the subscription and payment procedure.

Subscription for and payment of securities cannot commence after the expiry of 30 days following the day of receipt of the Commission's decision.

The deadline for subscription for and payment of securities issued to all existing shareholders or issuer's employees shall not be shorter than 21 day, and the notification referred to in paragraph 1 of this Article, must be forwarded to all mentioned persons within 15 days from the day of receipt of the Commission's decision.

Article 31 of the present Regulation shall apply accordingly to the issue procedure and contents of the subscription form.

#### Article 37a

By exception to Article 37 of this Rulebook, when issuers of debt securities are autonomous provinces and local government units, the notification referred to in Article 55, paragraph 1, item 1 shall contain:

1) Information about the issuer:

- Name, head office, address and telephone number,
- description of the legal position within the government administration,
- Information about the local economy, urban structure, administration, authorities and authorized persons,

Competencies of the issuer and funding sources

- information about the original and other income for the previous three years,

Capital projects and how they are financed

- information about the assets, current debts, its maturity structure, repayment of loan methods, the ratio of outstanding long term debt and other annual liabilities for its repayment to current income for the previous period
- events which might significantly affect the estimate of solvency of the issuer,
- local budget, structure and execution for the last three years,
- information about the previously issued securities and obligations arising from them;

2) allocation of assets obtained from issue of debt securities:

- description, plan and value of the project finances from assets obtained from issued securities, other sources for funding the stated project,
- forecast of sources of finances which will be used for repayment of the new debt, per years, ending with the year of maturity of issued debt securities,
- indicators of compliance with the statutory limitations regarding indebtedness relative to the last year, and projected indicators for the following years, with positive opinion of the Ministry of Finance on indebtedness of the local government;

3) information about the underwriter that is agent of the issue and obligations undertaken pursuant to the contract concluded with the issuer;

name, head office and registration number of professional investors, which have expressed their intent to purchase securities (in accordance with the Law on Securities and the Law on Public Debt),

5) information concerning securities to be issued, including:

Description of the class and series of securities (CFI code and ISIN number),

Value of the issue, total number of securities and their nominal value, currency

- selling price,
- description of rights, potential right limitations and procedures for execution of rights stemming from the securities,
- the description of calculation and payment of interest and the principal for the security, due date of interest and the principal, debt service default measures and statute of limitations for interest and the principal,
- if the interest rate is variable, description of the way the interest is determined, and the way in

which the benchmark rate and the interest are tied, state where the information about the past and future changes are available and provide information about the agent for calculation of interest,  
– the manner and the method of amortization, including a detailed view of the repayment plan (for both interest and the principal), and the schedule of payments in the course of debt security duration

Tax liabilities of owners of debt securities

– information about the manner in which obligations are secured (of issuer based on issued securities);

The deadline for subscription for and payment of securities, the starting and closing date (the period for subscription and payment shall not be longer than three months, and subscription and payment of securities shall not commence after the expiration of the period of 30 days of the receipt of the decision from the Commission.

– address and business hours of the broker–dealer company or the bank designated for subscription of securities, whereby Article 31 of this rulebook shall apply accordingly to the procedure of issuing and the contents of the subscription form;

– address and business hours of the bank selected for payment of securities and the number of the special purpose account for the payment of subscribed securities;

(6) rating of securities (if applicable);

7) address and time when a buyer may inspect in detail data on the legal and financial status of the issuer, and the internet page with financial statements of the issuer for the last and following years, with the year of maturity of debt securities;

8) The statement of persons in charge with the issuer as follows: “The issuer undertakes and accepts all responsibilities for execution of obligations arising from securities being issued and for the authenticity and completeness of information contained in the notification on issuance of debt securities without public offering”

9) Date, name, surname, and signature of responsible persons with a stamp of the issuer.

An integral part of the notification shall be the following statement: “The Securities Commission shall neither be held responsible for the authenticity and completeness of the information stated herein nor for the ability of the issuer of securities to meet the obligations stemming from the issued securities.”

The issuer shall submit audited financial statements for the last two years with the notification which is delivered to persons referred to in item 4) paragraph 1 of this Article.

#### Issue of Securities to a Known Buyer

##### Article 38

An issuer referred to in Article 54 of the Law, shall submit an approval request for issue of securities and submit information about the persons and the number of subscribed for and paid securities with relevant evidence attached (a certificate from the broker–dealer company and the bank about the number of subscribed and paid securities), within seven days from the day of expiry of the deadline for subscription for and payment of securities.

The Commission shall pass a decision on approval of issue of securities within three days from the day of submission of the request referred to in paragraph 1 of this Article, if the subscription for and payment of securities have been performed in compliance with the decision, the contract referred to in Article 55, paragraph 6 of the Law and the notification.

#### Restriction of Circulation and Admittance to Regulated Market

##### Article 39

The securities issued in compliance with Article 54 of the Law shall not be the subject of the secondary public offer in the regulated market for at least 12 months from the day of their issue.

The lawful holder of the securities issued without a public offer which he/she has acquired from the issuer, may alienate such shares in a public offering after expiry of 12 months from the day of issue

of such securities, provided that the issuer obtains from the Commission the approval for admittance of such securities to the regulated market.

Without prejudice to paragraph 1 of this Article, the securities issued in compliance with Article 54 of the Law may be traded on the regulated market prior to expiry of the deadline specified in that paragraph, if the issuer obtains the approval for admittance of such securities to the regulated market.

In order to obtain an approval for admittance of securities issued in accordance with Article 54 of the Law to the regulated market, an issuer shall submit to the Commission:

- 1) a request for admittance of securities to the regulated market by approval of prospectus;
- 2) decision of the issuer on admittance of securities to trading on a specifically determined stock exchange market i.e. over-the-counter market;
- 3) a copy of the prospectus for issue of securities;
- 4) Articles of Association of the issuer;
- 5) resolution on entry in the Register of Companies;
- 6) Financial statements prepared in compliance with the Law regulating accounting and auditing for the last three years;
- 7) audit report on financial statements, which is prepared in compliance with the Law regulating accounting and auditing;
- 8) bank certificate relating to the issuer's account balance in the period of the last 60 days preceding the day of the request submittance.

Provisions of Article 3, paragraph 2 of the present Regulation shall apply accordingly to the contents and form of the request referred to in paragraph 4, item 1 of this Article.

The request form is available on the website of the Commission.

## V ISSUING SECURITIES ACCORDING TO ARTICLE 59 OF THE LAW

### Article 40

The issuer of securities specified in Article 59 of the Law shall submit to the Commission the following:

- 1) request
- 2) notification on issue of securities without public offering;
- 3) decision on issue of securities without public offering;
- 4) financial statements of the issuer, with an auditor's report, for the last business year;
- 5) a copy of the decision on entry in the Register of Companies;
- 6) a copy of the contract concluded between the issuer and the agent, i.e. underwriter of the issue, if the issuer engaged an agent, i.e. underwriter;
- 7) consent of the competent authority, if determined by the Law that the issue of securities is allowed only with the prior consent of such authority;
- 8) name and surname, telephone number(s) and an e-mail and/or postal address of the person authorized by the issuer to contact the Securities Commission as regards the notification;
- 9) other documents in compliance with the Law, according to the purpose of issue of securities without public offering;
- 10) evidence of payment of the fee.

Provisions of Article 3, paragraph 2 of the present Regulation shall apply accordingly to the contents and form of the request referred to in item 1, of the previous paragraph.

The request forms are available on the website of the Commission.

A notification on issue of securities without public offering according to Article 59 of the Law

### Article 41

A notification on issue of securities without public offering shall contain:

- 1) business name, head office, Identification Code and Tax Identification Number of the issuer;

- 2) business name and registered office of the agent of the issue, if an agent participates in the issue organization according to a signed contract with the issuer;
- 3) a list containing business names and head offices, and/or name and address of the persons to whom the securities are being issued;
- 4) the reason and legal grounds for issue of securities;
- 5) information concerning securities to be issued, and securities exchanged;
- 6) the method used for determining the value relation of securities used at their exchange and the date thereof in case referred to in Article 59, paragraph 1 items 3, 5 and 6 of the Law;
- 7) an overview of information contained in financial statements (balance sheet, income statement, cash flow report, the report on changes of capital for the last two years with a certified auditor's conclusion);
- 8) date, issuer's seal, and signature of the person authorized to represent the issuer;
- 9) evidence of payment of the fee;
- 10) other information at the request of the Commission.

#### Decision

#### Article 42

A decision on issue of securities without a public offering referred to in Article 59 of the Law shall contain the following: business name, head office of the issuer of securities, information about securities: type, class, issue symbol, CFI code, ISIN number, volume, total number of securities, their nominal value, the regulated market they are admitted to, rights of holders of the securities. Depending on the legal grounds for the decision referred to in Article 59 of the Law, the decision shall contain other necessary elements in accordance with the Law.

#### Article 43

It shall not be mandatory to obtain approval for a securities prospectus when warrants for purchase of shares or bonds are issued, when such warrants are issued concurrently with securities issued on the basis of the securities prospectus.

#### Article 44

The Regulation on contents and form of prospectuses and other documents submitted for issue of securities (RS Official Gazette, Nos. 102/2003, 25/2004 and 116/2005) is hereby repealed on the day the present Regulation enters into force.

#### Article 45

This Regulation shall enter into force on the next day following its publication in the Official Gazette of the Republic of Serbia and it shall be applied when the new Law on the Market of Securities and Other Financial Instruments comes into force (Official Gazette of RS, Nos. 47/06).

Independent Article of the Rulebook on Contents and Form of Prospectuses And Other Documents Submitted for the Issue of Securities (Official Gazzette of RS, Nos. 116/2006

#### Article 5

This rulebook shall come into force on the eight day of its publication in the Official Gazette of RS.

PRESIDENT OF THE COMMISSION

Milko Štimac, signed

Close Window