

**LAW ON AMENDMENTS TO THE FISCAL RESPONSIBILITY LAW IN THE
REPUBLIC OF SRPSKA**

Article 1

In the Fiscal Responsibility Law in the Republic of Srpska (Official Gazette of the Republic of Srpska, No. 94/15), in Article 3, paragraph 21 after the word “funds”, words “in accordance with the regulations governing borrowing, debt and guarantees” are added.

In paragraph 23 word “and” is deleted and comma is added, and in paragraph 24 after the word “year”, word “and” is added and new paragraph 25 is added and shall read:

“25) outstanding liability from the previous period is a liability due for paying, but was not discharged in the previous year, i.e. previous years”.

Article 2

In Article 4, paragraph 3 is changed and shall read:

“(3) A responsible person of the budget user, by the statement referred to in paragraph 2 of this Article, under full substantive and criminal liability, shall confirm that he/she shall not create liabilities greater than the resources available under the budget, rebalance of the budget or by the decision on temporary financing, in which transferred outstanding liabilities from the previous period whose discharged was planned that year, were included, as well as that he/she has ensured legal, earmarked and purposeful spending of resources allocated under the budget, while ensuring efficient functioning of the financial management and control system, within the framework of resources determined in the budget.”

Article 3

In Article 5, paragraph 3 is changed and shall read:

“(3) Specific fiscal rules shall refer to binding, automatic measures if indicators provided by those rules shall reach one of those threshold values defined by this Law.”

Article 4

In Article 7, after paragraph 3, new paragraph 4 is added and shall read:

“(4) Fiscal Council shall determine compliance with the specific fiscal rules based on the estimate of the relevant information from the current fiscal year.”

Article 5

In Article 9, after paragraph 3 new paragraphs 4, 5, 6, 7 and 8 are added and shall read:

“(4) Budget user, a municipality, city and a fund, shall be required to draft a plan for discharging outstanding liabilities transferred from the previous period, when such liabilities were

in existence, on the latest date of 15 April of the current year and to submit it to the Fiscal Council for opinion.

(5) For budget users financed from the budget of the Republic of Srpska, plan for discharging outstanding liabilities transferred from the previous period shall be drafted by the Ministry of Finance.

(6) Plan for discharging outstanding liabilities from the previous period shall be adopted by the body competent for budget adopting after acquiring opinion from the Fiscal Council.

(7) Competent body of a municipality, city and a fund is required to submit the opinion of Fiscal Council and the decision of the competent body on adopting the plan referred to in paragraph 4 of this Article to the Ministry of Finance together with a draft, i.e. budget proposal and budget rebalance.

(8) The Fiscal Council shall, within 30 days of entering into force of this Law, adopt instruction prescribing content of the plan for discharging outstanding liabilities transferred from the previous period and the report on the realisation of that plan.”

Article 6

In Article 10, paragraph 4 is changed and shall read:

“(4) If a budget user, a municipality, city or a fund, contrary to paragraph 3 of this Article, create liabilities on any ground exceeding the level of resources allocated by the budget, they shall be obliged to draft a plan for discharging outstanding liabilities for the amount that constitutes the difference up to the level of the envelope allocated by the budget.”

Article 7

In Article 12, paragraph 2 is changed and shall read:

“(2) The Government shall, with the justified decision referred to in paragraph 1 of this Article, submit to the National Assembly for consideration and adoption, report on temporary derogation and opinion of Fiscal Council on report and the report on temporary derogation shall contain:

- 1) reasons for departing from the fiscal rules,
- 2) measures which the Government plans to undertake in order to re-establish compliance with the fiscal rules and
- 3) the time limit in which the situation shall be aligned with the fiscal rules.”

Article 8

In Article 13, paragraph 1 is changed and shall read:

“(1) The Ministry of Finance shall prepare the draft of the report on temporary derogation and submit it to the Fiscal Council for opinion.”

Article 9

Article 19 is changed and shall read:

“(1) The functions of the Fiscal Council shall be:

1) to analyze macroeconomic and fiscal assumptions and projections used for the preparation of BFD, draft and proposal of the budget of the Republic and economic policy, i.e. economic reform programme,

2) to provide an independent and credible assessment of economic policy measures proposed by the Government in order to achieve the quantitative fiscal targets, set by the Government,

3) to estimate underlying fiscal risks and the likelihood that the Government shall meet its fiscal targets for the upcoming fiscal year and the following two fiscal years,

4) to assess the extent to which the Government has respected and met set fiscal targets in the previous fiscal year, as well as fiscal rules defined by this Law,

5) to assess whether there are grounds for granting a temporary derogation and whether there is likelihood for the Government plan of adaptation to enable a return to respect fiscal rules and

6) to examine the adequacy of economic classification in order to ensure proper measurement of quantitative fiscal targets.

(2) The tasks of the Fiscal Council shall be:

1) to provide opinions and analysis to the National Assembly regarding the draft and proposal of the budget and budget rebalance and economic policy, i.e. economic reform programme,

2) to provide opinions and estimates to the National Assembly regarding drafts and proposals of laws, other regulations and strategic documents which regulate issues of fiscal policies or which can have influence on fiscal policy,

3) to provide opinions and analysis to the National Assembly regarding reports on the Republic budget execution, and consolidated reports on the budget execution of the Republic,

4) to submit to the Government opinion on the Programme,

5) to submit to the Government opinion on report on discharge of obligation,

6) to give opinions to the Government on BFD and

7) to give opinions on proposal of the plan for discharging outstanding liabilities transferred from the previous period.

(3) The Government shall submit acts referred to in paragraph 2, points 1), 2) and 3) of this Article to the Fiscal Council on the following day from the day of establishing the draft, i.e. proposal of those acts on the Government session.

(4) The Ministry shall submit the proposal of the BFD to the Fiscal Council ten days before the Government session on which BFD shall be discussed.

(5) Fiscal Council gives opinion on BFD to the Government within seven days from the day of submitting BFD proposal.

(6) Budget user, local self-government unit and a fund shall submit the report on realisation of the plan for discharging outstanding liabilities transferred from the previous period to the Fiscal Council not later than 30 June of the current year.”

In Article 22, paragraph 1, point 3) after the word “represent”, words “and advocates” shall be added, and in point 4) after the word “Council”, words “and technical service,” shall be added”.

After paragraph 2, new paragraph 3 is added and shall read:

“(3) Fiscal Council in performing functions and tasks determined with this Law and other regulations shall adopt rulebooks, decisions, instructions, opinions, proposals and conclusions.”

Article 11

In Article 25, after paragraph 4, new paragraph 5 is added and shall read:

“(5) The Chairperson of the Fiscal Council shall decide on the rights and obligations from employment relations of civil servants and government employees in the technical service of the Fiscal Council, in accordance with the regulations governing legal and labour status of civil servants and government employees.”

Article 12

In Article 26, paragraph 2 is changed and shall read:

“(2) Committee on Budget and Finance of the National Assembly gives approval on the preposition of the work plan of the Fiscal Council.”

Article 13

In Article 28, paragraph 1 is changed and shall read:

“(1) The Fiscal Council shall submit to the National Assembly, once a year, a report on enforcement of this Law and identified irregularities, i.e. identified and potential departures from the fiscal rules and breach of fiscal measures, for the period from January 1 to December 31.”

Article 14

In Article 29, point 8) the word “available” is deleted.

In point 10), the word “long-term” is deleted and words “(Article 30)” are replaced with words “(Article 9, paragraph 4)”.

Article 15

After Article 30, new Article 30a is added and shall read:

“Article 30a

Budget user, a municipality, city and a fund which, before this Law came into force, drafted a long-term plan for discharging outstanding liabilities transferred from the previous period on

which Fiscal Council gave its opinion, is required to submit the report on realisation of the plan to the Fiscal Council.”

Article 16

This Law shall enter into force on the eighth day following that of its publication in the Official Gazette of the Republic of Srpska.

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President of the
National Assembly

Nedeljko Čubrilović