

Official Gazette of Republika Srpska

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Pursuant to Article 38 of the Law on Payments Transactions (Official Gazette of Republika Srpska», No: 12/01), Article 28 of the Law on Foreign Exchange Operations (Official Gazette of Republika Srpska, No: 96/03 and 123/06) and Article 111 of the Law on Administrative Service in the Republika Srpska Administration («Official Gazette of Republika Srpska», No: 16/02; 62/02,38/03,42/04 and 49/06), herein the Ministry of Finance delivers:

**the INSTRUCTION
on the structure and use of International Number of the Bank Account (IBAN)**

1.This Instruction defines the uniform format of the International Bank Account Number - (IBAN) and the obligation of banks to apply the international rules and the IBAN standards when opening, checking up, using the accounts and notifying banks' customers on their IBAN.

A term «bank", as defined by Paragraph 1 of this Item means any bank being established and operating according to the Law on Banks of Republika Srpska and having the license of the Republika Srpska Banking Agency for providing the domestic and international payments system services.

2.IBAN is a single identification number of a customer with the bank, which runs the KM accounts or the foreign currency accounts of the payments system participant.

The IBAN format is generated in accordance with the international standard ISO 13616:1997, which is accepted by the European Commission for the Banking Standardization.

The term «An account» as per the Paragraph 1 of this Item means the account open with the bank for the operations of payment, charging and the transfers per current and capital transactions in Convertible Marks or foreign currencies.

Bank Identifier Code (BIC) is a single identification number of a bank, which is created according to the international standard ISO 9362.

3.IBAN is composed of 20 alphanumeric characters in total as follows:

- a) The first two characters representing the letters' code for Bosnia and Herzegovina, ISO standard 3166 (BA),
- b) The next two characters are the check digits/number calculated according to the international standard ISO 7064, MODUL 97-10,
- c) The next 16 numerical characters (XXX YYY ZZZZZZZZ KK) is the Basic Banking Account Number - BBAN) - transaction account determined by the Instruction defining the structure of the account for the performance of payments transactions, where:

XXX - the three digits character of a bank according to the Catalogue run by the Central Bank of Bosnia and Herzegovina for commercial banks,

YYY - the three digits character of a bank organization unit according to the main office of that bank, assigned at the bank's discretion,

ZZZZZZZZ - Eight digits number of the customer's account allocated at the bank's discretion,
KK - two digits control number defined according to the international standard ISO 7064,
MODUL 97-10.

4. Only capital letters of Latin script can be used in the IBAN, by the ABC alphabet (with the possibility of permutation and repetition of its characters) and the Arabic numbers.

In the e-form payment orders IBAN is used exclusively as the sequence of twenty alphanumeric characters (without empty space or any other character).

In payment orders as written or printed documents, 20 alphanumeric characters of the IBAN are written in five groups of four characters, so each group of characters is separated with one empty space (xxxx xxxx xxxx xxxx xxxx).

5. A bank assigns IBAN to each payments system's participant.

Bank is obliged to indicate for the each payments system participant the IBAN on the account statement, as well as, the identification number of the Bank (BIC).

6. A Bank is obliged to check the accuracy of the format and accuracy of the check numbers of IBAN when accepting the funds in favor of the account of the payments' system participants. The way of IBAN calculation and the check up of the control number are stated in the Annex to this Instruction, being its integral part.

If the IBAN stated in the payment order does not have the required format or if the check numbers are incorrect, the bank is obliged to conduct the process of investigation pursuant to the internal procedures.

7. Bank is obliged to adjust the accounts mentioned in the Item 2, Paragraph 2 of this Instruction with this instruction within two years deadline upon the passing in force of this Instruction.

8. This Instruction enters in force on the eighth day from the day of its publication in the «Official Gazette of Republika Srpska».

No. 06.06/440-7/07

January 23, 2007

Banja Luka

Minister

Aleksandar Džombić in person

Supplement

The way of calculating the control number:

For calculation of the control number we use the international standard ISO 7064, MODUL 97-10 in the following way:

1. To write down the number of the transaction account (BBAN) in sequence without the space:

XXXYYYZZZZZZZZKK.

2. At the end of the transaction account (BBAN) from the Item 1 to add:

- Characters code for Bosnia and Herzegovina «BA» and
- Two zeros »00":

XXXYYYZZZZZZZZKKBA00.

3. In the obtained sequence from the Item 2 letters "BA" to change into numerical characters in accord with the international standards ISO 13616 (Table 1) according to which B=11, A=10.

XXXYYYZZZZZZZZKK111000.

4. The obtained number from the Item 3 to divide with the number 97, where we obtain the quotient, whose decimal residue is ignored.

5. The result from the Item 4 to multiply with the number 97, and the obtained product (number of twenty two digits) is subtracted from the number mentioned in the Item 3, after which two digits' residue is obtained (NN).

4. The residue (NN) from the Item 5 to subtract from (97+1), which gives the control number (KB).

$$KB = (97+1) - NN$$

If the difference from the Item 6 is less than 10, the obtained number is preceded by zero (0).

Example:

1. 1990440001200279

2. 1990440001200279BA00

3. 1990440001200279111000

4. $1990440001200279111000/97 = 20520000012374011453$

5. $20520000012374011453 \times 97 = 1990440001200279110941$

$1990440001200279111000 - 1990440001200279110941 = 59$.

6. $KB = (97 + 1) - 59$

$KB = 39$

IBAN = BA39 1990 4400 1200 0279

Validation of the check number

1. To write down the IBAN in the sequence without the empty space
2. The character code of the state and the check number to move at the right end of the sequence.
3. To convert the letters into the digits pursuant to the ISO 13616 (Table 1)
4. To divide the obtained number with 97
5. To multiply the result with 97
6. To subtract the result from the number in the step 3.
7. If the result is 1; IBAN is correct.

1. BA39 1990 4400 0120 0279
2. 1990440001200279BA39
3. 1990440001200279111039
4. $1990440001200279111039 / 97 = 20520000012374011454$
5. $20520000012374011454 \times 97 = 1990440001200279111038$
6. $1990440001200279111039 - 1990440001200279111038 = 1$.

Table 1. Conversion of letters into digits:

A = 10	G = 16	M = 22	S = 28	Y = 34
B = 11	H = 17	N = 23	T = 29	Z = 35
C = 12	I = 18	O = 24	U = 30	
D = 13	J = 19	P = 25	V = 31	
E = 14	K = 20	Q = 26	W = 32	
F = 15	L = 21	R = 27	X = 33	