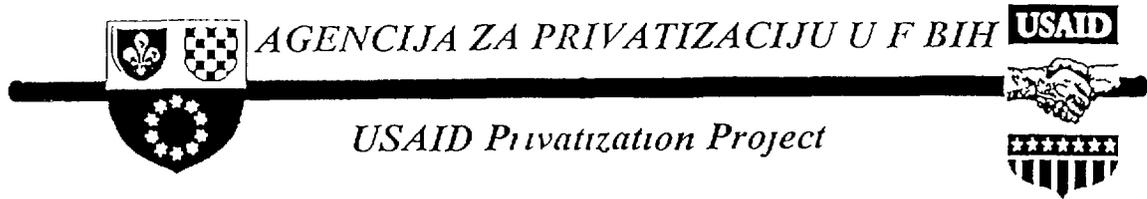


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**Procedures for Public Offering of Shares  
in the  
Federation of Bosnia and Herzegovina**

**USAID Privatization Project  
December 1999**

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## Introduction to the Procedures for Public Offering of Shares

These Procedures have been prepared as assistance to employees of the Agency for Privatization in the FBiH (hereinafter the FPA), Cantonal Agencies for Privatization (hereinafter the CPA), as well as to the Payments Bureau (hereinafter the ZPP/ZAP) in the process of preparation and implementation of the Public Offering of Shares (hereinafter the POS)

The Procedures include three chapters Chapter One gives instructions to the FPA regarding the activities in the POS Chapter Two gives instructions for CPAs, and Chapter Three gives instructions for the ZPP/ZAP Each of the Chapters begins with short description and diagram of activities of participants in the POS

Each activity is described as a separate procedure with clearly specified inputs, implementation steps, and outputs The Procedures are chronological for both rounds of the POS

Further text gives a short description and diagram of the POS process

### *Description of the POS process*

POS is one of the methods in mass privatization, used for large and midsize enterprises to transform the ownership over capital from state/social to private sector This method ensures quick privatization and creation of broad-based private ownership

POS represents a sale of state/social capital through shares that can be paid for in cash or claims POS will be carried out in two rounds All enterprises that are going to be privatized through POS will be offered in the first round If amount of subscriptions in the first round of POS is between 80% and 120% of the offered state/social owned capital, the subscription is considered successful and shares of those enterprises will be allocated to subscribers proportionally to their portion in the total amount of subscription If the subscription is under 80% or higher than 120% of the amount of the offered state/social capital, first round is considered unsuccessful Enterprises with unsuccessful first round will be offered in the second round Every enterprise with any amount of subscription in the second round of the POS is considered successfully sold, and shares will be allocated to subscribers proportionally to their portion in the total amount of subscription

We can identify two phases in the POS preparation phase and implementation phase The preparation phase of the POS includes

- defining the offer – selecting enterprises and capital for the POS
- preparation of organization support for the POS – preparation of the information technology system which will support preparation and implementation of the POS, preparation of the ZPP/ZAP offices
- public information – creation of Catalog of Enterprises which will be offered in the POS, public education about the POS process

Implementation phase of the POS begins with public announcement of Public Invitation for Subscription Subscribers will have 30 to 60 days to subscribe the shares of selected enterprises in sub-branch offices of the ZPP/ZAP During the subscription period, the

ZPP/ZAP will report daily to the CPAs about the progress of the POS. At the end of subscription period, the ZPP/ZAP will consolidate all subscription for offered enterprises. Based on consolidated data on subscription representatives of the FPA and CPAs will calculate results of the POS and publish them in the media. All subscribers who subscribed shares of successful enterprises after first or second round will be informed in writing about their ownership in those enterprises. Lists of new shareholders will be delivered to the enterprises and archived in the Shareholder Register Database. In addition, enterprises with successful POS will receive the Decree on Completed Privatization. Enterprises that are not privatized after the second round of the POS will be privatized in an alternative method (direct negotiation, leasing or management contract).

**1 AGENCY FOR PRIVATIZATION IN THE FEDERATION OF  
BIH**

### ***Role of the Agency for Privatization in the Federation of BiH***

Agency for Privatization in the Federation of BiH manages the overall POS process. Also it is one of the implementation institutions in the POS process.

Before the POS begins, personnel from the FPA in charge of enterprises under the FPA authority must determine the exact amount of state/social capital, which will be privatized in the POS. The FPA activities related to determination of the amount of the state/social capital for the POS are described in the Process 1.1 *Updating the amount of the state capital for POS*.

Process 1.2 *Preparation of the POS* describes FPA activities in the preparation phase of the POS. The FPA must instruct the ZPP/ZAP regarding the activities related to duties and responsibilities of the ZPP/ZAP in the POS process. The FPA must ensure all necessary conditions for testing and installation of the POS module of the IS. Other preparation activities of the FPA are support and training of the ZPP/ZAP staff, as well as creation of the Joint Register of Enterprises. Before the subscription of shares begins the FPA will make decision on duration of the subscription period, prepare the Catalog of Enterprises for the POS, and prepare the Public Invitation for the POS.

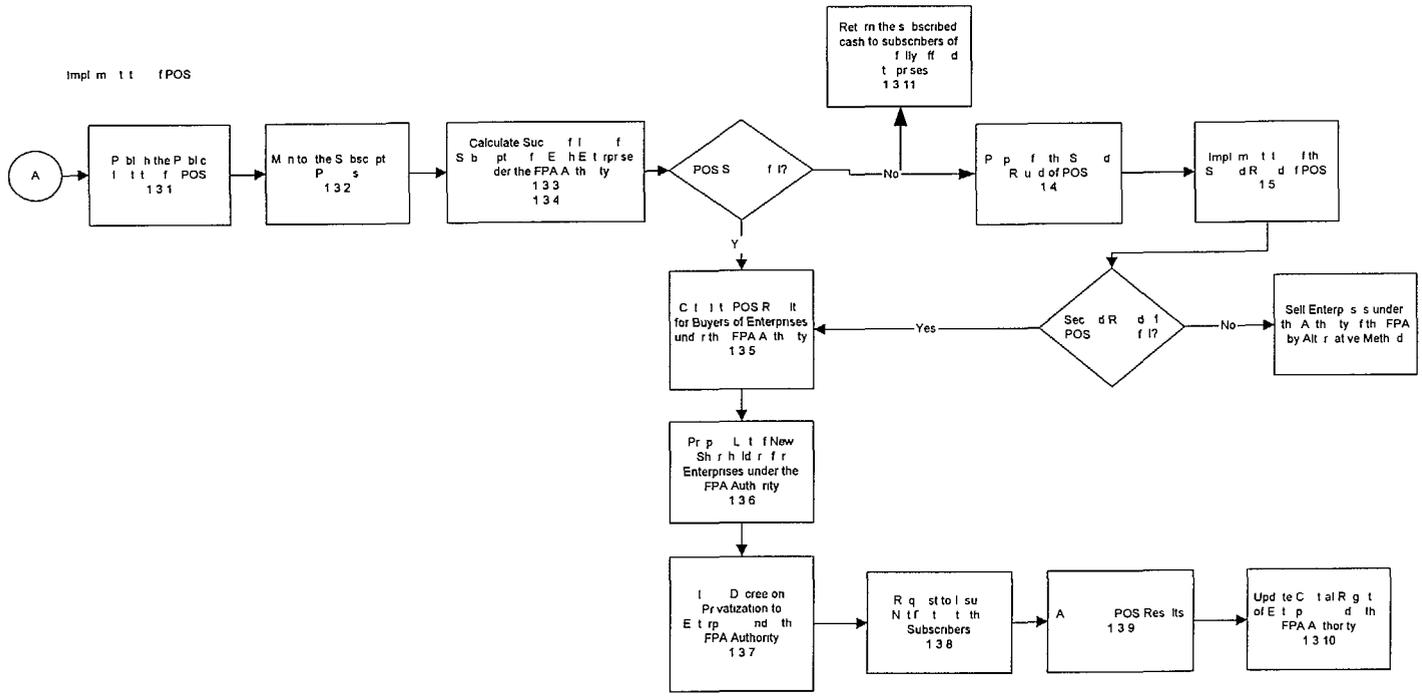
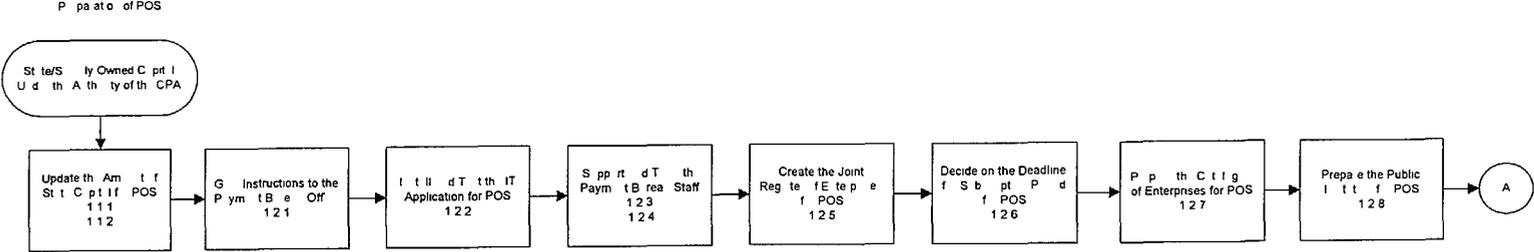
The implementation phase of the POS begins with publishing of the Public Invitation. The FPA activities in implementation of the first round are described in the process 1.3 *Implementation of the first round of the POS*. During the subscription period the FPA will follow the progress of the subscription process, based on daily reports. At the end of the subscription period the FPA and CPAs have responsibility to determine level of success of the subscription for each offered enterprise. For all successfully offered enterprises the FPA and CPAs will determine the ownership acquired by subscribers. Upon request from the FPA the ZPP/ZAP will ensure the issuance of the Notification to subscribers on the ownership they acquired in enterprises. Responsible staff in the FPA will update the Central Enterprise Register, according to the results of the first round of the POS. In addition, each authorized agency will create Lists of new shareholders and produce Decrees on completed privatization for enterprises from its area of authority. The FPA will archive the Lists of new shareholders for each successfully sold enterprise in the Shareholders Database.

Activities of the FPA in the second round of the POS are described in the process 1.4 *Preparation of the Second Round of the POS*. The FPA will also define the offer, that is, prepare the enterprises for the POS and publish the Public Invitation for the second round.

The second round of the POS, described in the Process 1.5 *Implementation of the second round of the POS*, will begin by publishing the Public invitation. Same as in the first round, the FPA will follow the subscription process. At the end of the subscription period the FPA, along with CPAs will determine the results of subscription. New shareholders will receive the Notification on ownership acquired. Enterprises with successful second round of the POS will receive from the authorized agency the List of new shareholders and the Decree on completed privatization. The FPA will also submit the Lists of new shareholders of all privatized enterprises to the Shareholder database, and update the Central Enterprise Register.

Enterprises that do not have subscriptions in the second round of the POS will be considered unsuccessful. For those enterprises, the FPA will make decision on alternative method of sale.

Agency for Privatization in the Federation of Bosnia and Herzegovina



**Process 10 Create Procedures for POS**

**Input**

Procedures for the POS prepared

**Description of the process**

In order to give clear definition of responsibilities of all participants in the process of preparation and implementation of the POS, the FPA will prepare the Procedures for the POS in the Federation of BiH. The Procedures will also cover elements that are related to the IT system. The Procedures will not contain detail technical documentation for the IT system. Technical characteristics, user manual, and other documentation of the IT system will be covered in separate document.

The procedures for the POS will not contain the activities related to the preparation of enterprises for privatization.

**Steps**

- 1 After the functional teams in the FPA, along with their technical advisors, prepare the Procedures, the Management Board members will review the procedures.
- 2 In case that the Management Board members have objections to the proposed text, the objections will be delivered to appropriate functional team in the FPA.
- 3 After the new text is approved the final versions of the Procedures for the POS will be printed and distributed to the FPA, CPA, and ZPP/ZAP personnel.

**Output**

The Procedures for the POS printed and distributed

<b>Process</b>	<b>1 1</b>	<b>Update the amount of state capital for POS</b>
<b>Procedure</b>	<b>1 1 1</b>	<b>Identify enterprise under the authority of FPA that have to update Opening Balance Sheet</b>

**Input**

Approved OBS of enterprises under the authority of FPA  
 Decisions made regarding methods of sale of enterprises under the authority of FPA  
 Register of Enterprises under the authority of FPA

**Procedure Description**

In the preparation of sale of enterprises through the POS, the FPA staff must determine exact amount of the state/social capital in OBS for enterprises that fall under the authority of the FPA

**Steps**

- 1 Administrator of the Enterprise Register at the FPA, will generate from the Enterprise Register the list of enterprises that must update their OBS based on the order form the appropriate official of the FPA
- 2 Updated OBS must be in accordance with *Instructions on amendments and changes of the Instruction on form and content of the form for opening balance sheet data*<sup>1</sup>
- 3 List of enterprises that must update their OBS will be created 45 days before the publishing of the Public Invitation at the latest  
 Example of the List is given as Annex 1
- 4 If an enterprise must update its opening balance sheet the FPA will inform the enterprise in writing that the OBS must be updated before the enterprise is offered in the POS
- 5 Administrator of the Enterprise Register in the FPA will create Notification form for all enterprises on the list (step 3), the next day after the list is created. The Notification form will contain
  - name of the enterprise
  - address of the enterprise
  - explanation of the necessity for updating
 Example of the Notification form is given in Annex 2
- 6 The Notification form will contain the deadline of 14 days to submit the updated OBS to the FPA

<sup>1</sup> Instructions published in the Official Gazette of the FBiH, 26/99

- 7 The responsible official in the FPA will sign and seal all Notification forms for enterprises that must update their OBS
- 8 The Notification form will be delivered to enterprises by registered mail after they are created

**Output**

Enterprises under the authority of the FPA that must update their OBS are identified and informed

<b>Process</b>	<b>1 1</b>	<b><i>Update the amount of state capital for POS</i></b>
<b>Procedure</b>	<b>1 1 2</b>	<b><i>Approve updated OBS for enterprises under the FPA authority and update the amount of capital to be offered in POS</i></b>

**Input**

Updated OBS and all documentation submitted  
 Decision made on method of sale for enterprise under the FPA authority  
 Register of Enterprises under the authority of FPA

**Steps**

- 1 The FPA staff responsible for the POS, will check all received updated OBS and other documentation for enterprises under the FPA authority
- 2 If enterprises updated their OBS properly, the OBS will be accepted. If OBS is not updated properly, the FPA staff will inform responsible person in the enterprises about necessary changes
- 3 The amount of the state/social capital of enterprises under the FPA authority, which has been determined for sale, will be updated in accordance with the updated OBS
- 4 In case that enterprises that have to update their OBS do not do that in a due time, appropriate staff from the FPA will have to do so
- 5 After the FPA staff responsible for the POS approves the updated OBS, the operator of the Register of Enterprises under the FPA authority will receive an order to update the Register in accordance with decisions on updated OBS
- 6 The operator will enter into the Register of Enterprises under the FPA authority appropriate indicator, according to the FPA decision on submitted OBS (Approved, Changes Necessary, Rejected)
- 7 The updated amount of capital to be offered in the POS will be entered in the appropriate field of the Register of Enterprises in the FPA, for each of the enterprises under the FPA authority
- 8 Upon request from the FPA staff, the Register operator will, using file transfer, submit the updated data to the Central Enterprise Register
- 9 By submitting the above mentioned file from the FPA department for the POS to the level of the Central Enterprise Register, which is also located in the FPA, the FPA fulfills its obligation to submit the updated data on enterprises under the FPA authority to the Central Enterprise Register

**Output**

OBS reviewed  
 OBS approved or enterprise informed about necessary changes  
 Updated state capital available for POS  
 Updated Central Enterprise Register

<i>Process</i>	<i>1 2</i>	<i>Preparation of POS</i>
<i>Procedure</i>	<i>1 2 1</i>	<i>Ensure acceptance of the POS Procedures by the ZPP</i>

**Input**

Regulations on Procedures for Sale of Assets and Shares, or Holdings in an Enterprise  
Procedures for POS

**Procedure Description**

Based on the Procedures for POS the FPA will issue Procedures for POS Acceptance and signing of the Procedures by the FPA and the ZPP/ZAP will be matter of agreement on relationship between the FPA and the ZPP/ZAP in the process of POS

**Steps**

- 1 The responsible person from the FPA will specify all tasks of the ZPP/ZAP in the POS, and specially
  - identify the tasks of the ZPP/ZAP in organization and control of all activities related to acceptance and processing of the subscription in the POS, as well as reporting and documenting,
  - train the ZPP/ZAP,
  - prepare ZPP/ZAP facilities (space, forms, pens, etc ),
  - accept and process subscriptions (data entry, checking the information entered by buyers, correction of errors),
  - assure the confidentiality of the information,
  - comply with the reporting procedures,
  - keep the necessary archive/documentation,
  - consolidate data,
  - finalize payments,
  - issue Notification to subscribers,
  - determine appropriate work hours,
- 2 The responsible person from the FPA will also specify the responsibilities of the FPA towards the ZPP/ZAP, regarding the activities in the POS
  - provide software for subscription processing, reporting, and consolidation of data,
  - provide training material for the ZPP/ZAP staff,
  - train the ZPP/ZAP staff,
  - provide Catalogue of Enterprises for the POS and Public Invitations,
  - provide all necessary forms,
  - deliver lists to the ZPP/ZAP of successfully and unsuccessfully offered enterprises,
  - other types of assistance that the FPA should provide to the ZPP/ZAP

- 3 The responsible person in the FPA will make sure that the Procedures are delivered to the responsible person in the ZPP/ZAP. In order to allow enough time to the ZPP/ZAP to conduct all the necessary preparations for beginning of the POS, it is necessary to deliver the Procedures at least 60 days before the beginning of the POS.

**Output**

Procedures for POS delivered to the ZPP/ZAP  
The ZPP/ZAP accepted the Procedures

<b>Process</b>	<b>1 2</b>	<b>Preparation of POS</b>
<b>Procedure</b>	<b>1 2 2</b>	<b>Install and test applications for POS</b>

**Input**

Application for POS prepared  
Test plan  
User manual for software application

**Procedure Description**

Application software for POS will be developed for the purpose of automatization of activities of preparation and implementation of the POS

Knowing that the software for the POS is essential for preparation and implementation of the POS, the FPA is obliged to provide timely installation and testing of the software application. Within the Privatization IT system the POS software will use data from the Enterprise Register and give data for the Shareholders Database, as output data.

**Steps**

- 1 The responsible person from the FPA will deliver the software for the POS in the Central Office of the ZPP/ZAP, where the software application will be located, as well as Test Plan and User Manual
- 2 The responsible person from the FPA will inform in writing the ZPP/ZAP and the USAID PP about the time and place for testing the POS module
- 3 During the software testing appropriate staff from the FPA, the ZPP/ZAP, and representatives of the USAID PP will check all components of software, applying the User Manual and instructions from the Test Plan
- 4 All malfunctions and needs for changes of the program will be recorded
- 5 After the finalizing of the software and its acceptance by the FPA, a document of approval will be signed
- 6 After signing the document of approval, the software will be ready to use in the POS

**Output**

Software for the POS installed, tested and approved

<b>Process</b>	<b>1 2</b>	<b>Preparation of POS</b>
<b>Procedure</b>	<b>1 2 3</b>	<b>Provide support to ZPP/ZAP</b>

**Input**

Procedures for POS  
FPA Instructions to ZPP/ZAP

**Steps**

- 1 The responsible person from the FPA will, before the beginning of the POS, provide all necessary materials, including the Catalogue of Enterprises for the POS and the Public Invitation, to the ZPP/ZAP
- 2 The responsible person from the FPA will make sure that all ZPP/ZAP offices have installed hardware and software that are necessary for the implementation of the POS
- 3 Before the subscription process begins, the responsible person from the FPA will propose to each CPA to check the readiness of the ZPP/ZAP offices, that is
  - readiness of counters for subscription of shares,
  - readiness of tellers to assist subscribers, and
  - whether all necessary forms are available to the ZPP/ZAP staff and subscribers
- 4 During the subscription period, the FPA can recommend to CPAs to assist subscribers in the ZPP/ZAP sub-branch offices

**Output**

The ZPP/ZAP provided with all the necessary forms, technical equipment and documentation for the POS

<i>Process</i>	<i>1 2</i>	<i>Preparation of POS</i>
<i>Procedure</i>	<i>1 2 4</i>	<i>Train ZPP/ZAP staff</i>

**Input**

Manual for POS in Privatization Process in FBiH  
 Procedures for POS in Privatization Process in FBiH  
 FPA Instructions to ZPP/ZAP  
 Application software for POS  
 User Manual for software application

**Procedure Description**

Before implementation of the POS, the ZPP/ZAP staff will be familiar with the process of claims transactions in purchase of apartments and small-scale privatization. However, since transactions in the POS are specific, it is necessary that the ZPP/ZAP staff be trained additionally.

**Steps**

- 1 The responsible person from the FPA will make sure that Training Manual for ZPP/ZAP Tellers is prepared, based on the Manual for POS and the Procedures for POS
- 2 The responsible person from the FPA, along with the software application development team, will make sure that User Manual for Software Application is prepared
- 3 The responsible person in the FPA will define needs of training and assign necessary staff to conduct the training
- 4 The responsible person in the FPA, together with appropriate ZPP/ZAP staff, will coordinate the time and place for the training. Depending on the volume of the training, number of training participants, and other circumstances, such as time limitations, appropriate staff from the FPA and the ZPP/ZAP will define form and manner of the training
- 5 The responsible person in the FPA will appoint lecturers for the training and coordinate preparation of training material with them
- 6 The responsible person will appoint and coordinate staff that will be in charge of logistics for training (production of necessary materials, space reservations)
- 7 The responsible person from the FPA will inform the responsible staff in the Central Office of the ZPP/ZAP about time and place for training
- 8 The responsible person from the FPA will supervise the training and make sure that all planned elements are covered
- 9 After the training, the responsible person from the FPA, along with responsible person from the ZPP/ZAP, will perform the analysis of the training and determine whether additional activities are needed. If there is a need for additional training, the responsible person from the FPA, along with responsible person from the ZPP/ZAP, will make activity plan for additional training of the ZPP/ZAP staff

**Output**

Training of ZPP/ZAP staff conducted

Analysis of the training conducted Plan for additional training developed based on detected needs

<i>Process</i>	<i>1 2</i>	<i>Preparation of POS</i>
<i>Procedure</i>	<i>1 2 5</i>	<i>Create Joint Register of Enterprises for POS</i>

**Input**

Updated Central Enterprise Register in FPA

**Procedure Description**

In the process of the preparation for the POS the FPA must create the Joint Register of Enterprises for POS. The FPA will create the Joint Register electronically from the Central Enterprise Register. That is why the Central Enterprise Register must be updated before certain deadline, using file transfer. Each CPA and the FPA department for the POS must submit all data on enterprises that will be offered in the POS.

The Joint Register of Enterprises for POS will contain the following information for each enterprise:

- name of enterprise,
- JMB number of enterprise,
- number of court registration of enterprise,
- business activity code
- address of residence,
- total capital of enterprise,
- amount of private capital and percentage of private capital in total capital,
- amount of state/social capital and percentage of state/social capital in total capital,
- amount of state/social capital that is to be sold in the POS and percentage of that capital in total capital of enterprise

**Steps**

- 1 After all file transfers are completed, operator of the Central Register will create the Joint Register of Enterprises for POS. From the electronic Joint Register of Enterprises for POS, the operator will create separate lists of enterprises for each authorized agency.
- 2 The list created in the step 1 will be delivered to each authorized agency, together with a memo, which specifies that it is liability of each respective agency to confirm in writing the accuracy of the data for enterprises under their authority, by a certain date.
- 3 If an error is noticed, authorized agency is liable to repeat file transfer with corrected data from the Register of Enterprises to the Central Enterprise Register, before expiration of the deadline specified in the memo.
- 4 If authorized agency does not find errors on the delivered list, the responsible person from the agency will confirm in writing the accuracy of the data, before expiration of the deadline specified in the FPA memo.
- 5 After all agencies have checked the accuracy of the data, or after the deadline for corrections is expired, the data in the Central Enterprise Register and in the Joint Register

of Enterprises for POS will represent database on enterprises that will be offered in the POS. After the specified deadline authorized agencies will not have the right or the possibility to correct data in the Central Enterprise Register.

6. After the Joint Register of Enterprises for POS is created, electronic file of the Joint Register of Enterprises for POS (electronic file) will be transferred to the Claims Register in the ZPP/ZAP, in order to allow processing of shares subscriptions.

**Output**

The Joint Register of Enterprises for POS created

Electronic file with data from the Joint Register of Enterprises for POS (electronic file) delivered to the Central Office of the ZPP/ZAP

<i>Process</i>	<i>1 2</i>	<i>Preparation of POS</i>
<i>Procedure</i>	<i>1 2 6</i>	<i>Make decision on duration of subscription period</i>

**Input**

Regulations on Procedures for Sale of Assets and Shares, or Holdings in an Enterprise  
 Information on number of PIFs  
 Information on extinguished claims

**Procedure Description**

During the preparation period for the POS it is FPA responsibility to make decision on duration of the subscription period in the POS. According to the Regulations on Procedures for Sale of Assets and Shares, or Holdings in an Enterprise the subscription period cannot be shorter than 30 or longer than 60 days.

**Steps**

- 1 The Management Board of the FPA is responsible for making decision on duration of the subscription period. When making decision the Management Board of the FPA will consider number of registered PIFs, and amount of unused claims on the UCAs. When making decision on duration of the subscription period it should be noted that duration period is directly proportional to number of unused claims and inversely proportional to number of PIFs.
- 2 After the decision on duration of the subscription period is made, the responsible person from the FPA will inform the CPAs and the ZPP/ZAP about the decision.
- 3 The decision on duration of the subscription period will be specified in the Public Invitation.

**Output**

Decision on duration of the subscription period made

<b>Process</b>	<b>1 2</b>	<b>Preparation of POS</b>
<b>Procedure</b>	<b>1 2 7</b>	<b>Prepare Catalog of Enterprises for POS</b>

**Input**

Joint Register of Enterprises for POS  
Central Enterprise Register

**Procedure Description**

Preparation of the Catalog of Enterprises for POS is responsibility of the FPA. The Catalog will provide information for potential investors about all enterprises that will be privatized through the POS.

Enterprises in the Catalog will be grouped according to authorized agency, and then according to business activity code. The Catalog will also contain information about subscription process, work hours of the ZPP/ZAP offices, and methodology for calculation of results.

The Catalog of Enterprises for POS will be created based on information contained in the Joint Register of Enterprises for POS and in the Central Enterprise Register.

**Steps**

- 1 The responsible person from the FPA will include in the Catalog enterprises that have been included in the Joint Register of Enterprises for POS, based on decisions on sale through the POS by authorized agencies.
- 2 The set of information in the Catalog will be same for each enterprise (example of the Catalog is given in Annex 3).
- 3 System operator in the FPA, in charge of creation of the Catalog of Enterprises for POS, will make sure that enterprises are grouped first according to authorized privatization agency (CPAs or FPA) and then according to business activity code.
- 4 First section in the Catalog of Enterprises for POS will contain basic information on the POS. Person in charge of creation of the Catalog of Enterprises for POS will receive information on the POS, which are not contained in the Joint Register of Enterprise for POS nor in the Central Enterprise Register from the POS department of the FPA.
- 5 Before the Catalog is printed, the responsible person in the FPA must distribute draft Catalog to all CPAs and to the POS department in the FPA. All agencies will check whether all enterprises from their area of authority are included and if the address and account number of the agency are correct.
- 6 If agency identifies errors, responsible person from the agency will submit to the FPA the request for corrections of the incorrect information in writing.
- 7 The final version of the Catalog will be prepared when responsible person from the FPA makes all necessary changes.
- 8 Before the Catalog is printed responsible staff from the FPA must determine total number of copies, having the following in mind:

- Number of copies for the FPA
  - Number of copies for the CPAs
  - Number of copies for the ZPP/ZAP
  - Number of copies for sale (if the FPA decides to sell the Catalog to interested parties)
- 9 The FPA task is to distribute the Catalog to all CPAs. Each CPA will distribute the Catalog to ZPP/ZAP branch offices on the territory of their canton, and the branch offices will distribute it further to the sub-branches. The Catalog will be distributed not later than 15 days before publishing of the Public Invitation to POS. The Catalog will be available to potential investors in ZPP/ZAP offices free of charge.
  - 10 In a case that the FPA decides to sell the Catalog to interested parties the FPA must determine the sale price and inform the CPAs in writing.
  - 11 The same Catalog will be used in the second round of the POS.

**Output**

The Catalog of Enterprises for POS prepared, printed, and distributed

<b>Process</b>	<b>1 2</b>	<b>Preparation of POS</b>
<b>Procedure</b>	<b>1 2 8</b>	<b>Prepare Public Invitation for the first round of POS</b>

**Input**

Rules on Sale of Assets and Shares or Equity Units of Enterprises,  
 Joint Register of Enterprises for POS,  
 Central Enterprise Register

**Procedure Description**

The APF is legally liable to announce the beginning of the POS. Responsible person in the FPA will prepare the Public Invitation for POS, which will include information on enterprises offered and the subscription process. This Invitation will be unique for the entire territory of the FBiH.

Enterprises included in the Public Invitation will be grouped by authorized privatization agency (FPA or CPA).

Information about enterprises will include the following:

- name, registration number, business activity code, address,
- amount of total capital,
- percentage of total capital owned by private shareholders,
- amount of state/social capital to be sold in the POS and its percentage in total capital,
- authorized privatization agency

The Invitation will contain information about privatization agencies and subscription process. These information will have been entered into the IT system before printing the Public Invitation. The information is the following:

- address
- telephone number
- number of account for cash payments
- information about subscription (subscription period, work hours of ZPP/ZAP offices, information on subscription forms – where to get them, how to complete them, fees, method of calculating results)

**Steps**

- 1 All enterprises included in the Joint Register of Enterprises for POS must be included in the Public Invitation. Responsible person from the FPA will include all above mentioned data on enterprises in the Public Invitation. The responsible person in the FPA will make sure that other relevant information on privatization agencies are also included in the Public Invitation (name of the agency, account number for cash payments, phone number of the contact person).

- 2 Along with information on offered enterprises and authorized agencies, the responsible person in the FPA must include in the Public Invitation the following information about subscription process, which are not contained in the Joint Register of Enterprises for POS
  - instructions for citizens on locations for subscription of shares
  - work hours of subscription centers
  - instructions on orders (where to find them, how to complete them, fee charged for orders)
  - subscription period, according to the decision of the Management Board of the FPA
  - method for calculation of results

Since the information specified in this step are not kept in the system, the operator will have to enter this data in the IT system before printing of the Public Invitation Example of the Public Invitation is given in Annex 4

- 3 Based on this data the FPA will create draft Public Invitation
- 4 Printed draft of the Public Invitation will be distributed to all authorized agencies for review Responsible staff in authorized agencies will examine information about enterprises from their area of authority and information about agency If they find an error, request for corrections will be sent to the FPA, in writing
- 5 When corrections are made, or if there is no need for corrections, the Public Invitation will be finalized Responsible person from the FPA will distribute the final Public Invitation to all CPAs in electronic form
- 6 The responsible person must coordinate with the CPAs in order to have the Public Invitation published on the entire territory of the FBiH in the same time

**Output**

Public Invitation for POS prepared

Final version of the Public Invitation distributed to all CPAs

<b>Process</b>	<b>1 3</b>	<b>Implementation of the first round of POS</b>
<b>Procedure</b>	<b>1 3 1</b>	<b>Publish Public Invitation for the first round of POS</b>

**Input**

Public Invitation for POS prepared

**Procedure Description**

Each authorized agency will select one public media, available on the entire territory of the respective Canton, where the Public Invitation will be published. The Public Invitation is uniform for entire FBiH.

In a case that none of the authorized agencies selects daily newspapers that are available on the entire territory of the FBiH, the FPA is obliged to publish the Public Invitation in such newspapers.

**Steps**

1. After the FPA receives information from authorized agencies about selection of public media where the Public Invitation will be published, and if none of the media is daily newspaper available on the entire territory of the FBiH, the FPA is responsible to publish Public Invitation in such media.  
(Note: knowing that publishing of the Public Invitation in daily newspapers bears significant costs and having in mind that the Public Invitation is published for the entire territory of the FBiH, agencies can coordinate to jointly publish the Public Invitation in the same media. In that case responsible persons from the agencies will make sure that the Public Invitation contains names of agencies that participate in such publishing.)
2. The Public Invitation must be published in all Cantons at the same time. Responsible person in the FPA will contact appropriate staff in the CPAs to determine the date for publishing the Public Invitation in entire FBiH.

**Output**

Public Invitation for the first round of the POS published

<b>Process</b>	<b>1 3</b>	<b>Implementation of the first round of POS</b>
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<b>Procedure</b>	<b>1 3 2</b>	<b>Monitor subscription process</b>
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**Input**

Daily subscription reports submitted by the ZPP/ZAP

**Procedure Description**

Responsibility of the ZPP/ZAP is to prepare and submit Daily Subscription Reports during the subscription period. Daily Reports must be delivered to the agencies in electronic form. Since the ZPP/ZAP is connected with the FPA and the FPA with CPA, the ZAP/ZAP will submit daily reports to the FPA. Appropriate staff from the FPA will immediately distribute the reports to the CPAs, in electronic form.

The Daily Report consists of two sections:

- a) Amount of subscribed claims and cash in the POS in each Canton and in the FB<sub>1</sub>H, for particular date,
- b) Amount of subscribed claims and cash in the POS in each Canton and in the FB<sub>1</sub>H for the elapsed subscription period.

**Steps**

- 1 The responsible person in the FPA will, after the electronic version of the Daily Report is received from the ZPP/ZAP, immediately distribute the Report to the CPAs, in electronic form. Model of the Daily Report is given in Annex 5.
- 2 The responsible person in the FPA should track level of subscription, the amount of unexhausted claims in the FB<sub>1</sub>H and the amount of claims used in subscription of shares.
- 3 If results of the analysis show that subscription is under the expected level, the FPA can decide to intensify the public education campaign, to stimulate larger number of participants for the POS.
- 4 If number of participants is larger and the ZPP/ZAP is not able to process them within the regular work hours, the FPA can request from the ZPP/ZAP to extend work hours in sub-branch offices.

**Output**

Daily Reports submitted to CPAs

Daily Reports reviewed

Appropriate decisions made regarding public information campaign and work hours of sub-branch offices

<b>Process</b>	<b>1 3</b>	<b>Implementation of the first round of POS</b>
<b>Procedure</b>	<b>1 3 3</b>	<b>Notification of the time for determination of results</b>

**Input**

Regulations on Procedures for Sale of Assets and Shares, or Holdings in an Enterprise

**Procedure Description**

All authorized agencies, through their representatives from appropriate sectors, will participate in calculation of results of the POS

**Steps**

- 1 Determination of results of the first round of the POS will be done by representatives of all CPAs and the FPA. Seven days before the end of the subscription process the responsible person in the FPA will make decision on exact time for calculation of results.
- 2 The responsible person in the FPA will send information in writing (by telefax) to representatives of CPAs with specified time and place for calculation of results. Also, the information in writing will contain request to all CPAs to confirm participation of their representative, the latest 2 days after the information is received. If any CPA does not confirm participation, or if they refuse to send a representative, the responsible person from the FPA will appoint an FPA official, who will participate in calculation of results as a representative of respective CPA.

**Output**

Representatives from agencies informed about time and place for calculation of POS results

<b>Process</b>	<b>1 3</b>	<b><i>Implementation of the first round of POS</i></b>
<b>Procedure</b>	<b>1 3 4</b>	<b><i>Determine results of the first round of POS</i></b>

**Input**

Regulations on Procedures for Sale of Assets and Shares, or Holdings in an Enterprise  
Consolidated data on subscription

**Procedure Description**

After the subscription period is over the ZPP/ZAP must consolidate data on subscription of cash and claims by enterprises. Five days after the subscription is over the consolidated data must be available to the CPAs and the FPA. All agencies will calculate results at the same time, through their representatives, using the uniform IT system and uniform equipment and computer programs.

**Steps**

- 1 After the subscription is over and data is consolidated, representatives of the CPAs will receive the consolidated data from the ZPP/ZAP
- 2 Through the POS module, the authorized agencies will calculate the total amount of subscription for each enterprise, and the ratio between offered and subscribed capital, that is the success of subscription. This procedure will be possible after the appropriate password is entered into the system. When representatives of agencies meet, a person from the FPA's IT department will hand the password in a sealed envelope to database administrator, who will enter the password into computer.
- 3 The database administrator will create Lists of subscription results for enterprises for each authorized agency separately. The lists will include the following data:
  - name and JMB number of enterprise
  - amount of subscription
  - amount of offered capital
  - ration between subscribed and offered capital
  - indicator "Successful POS" for successfully offered enterprises
  - indicator "Unsuccessful POS" for unsuccessfully offered enterprises

Creation of the Lists of Results assumes that the system will calculate the total amount of subscription for each enterprise, ratio between subscribed and offered capital for each enterprise, and based on that calculation enter the indicator of successful or unsuccessful POS. All enterprises with ratio of subscribed and offered capital between 0,8 and 1,2 (80% - 120%) the system will indicate as successfully sold in the first round of the POS. All other enterprises the system will enter the indicator "Unsuccessful POS"

- 4 After the Lists of Results are generated, representatives of each agency will sign the Lists of Results for enterprises from their area of authority. This is to confirm participation of representatives in the calculation process and to verify the integrity of determined results.
- 5 After creation and signing the Lists of Results the responsible person in the FPA will create two integral lists for the entire FBiH, the List of successfully offered enterprises

- and the List of unsuccessfully offered enterprises (Model of the Lists is given in Annex 6) The Lists will be used for publishing the results of the first round of subscription
- 6 Each agency will receive the Lists of successfully and unsuccessfully offered enterprises from their area of authority Each agency will forward the Lists to their Management Broads for confirmation of the determined results of subscription
  - 7 After the Lists of successfully and unsuccessfully enterprises are created the responsible person in the FPA will request from the ZPP/ZAP, for enterprises from their area of authority, to finalize payments or to restore payments The order to the ZPP/ZAP assumes the request to transfer cash payments for successfully subscribed enterprises from the temporary account of the FPA to the cash account of the FPA All claims for successfully subscribed enterprises are to be transferred to the Cumulative Account According to the order, for unsuccessfully subscribed enterprises the ZPP/ZAP will transfer cash payments from the temporary to the cumulative cash account of the FPA, and claims will be restored at the UCAs of subscribers Along with the request for transfer, the FPA will deliver to the ZPP/ZAP the Lists of successfully and unsuccessfully offered enterprises from their area of authority
  - 8 Database administrator will create the List of subscribers for each authorized agency to whom the subscribed cash needs to be returned The List, made for each of the authorized agencies separately, will cover all subscribers who subscribed cash for enterprises with unsuccessful POS This List will contain following data
    - First and last name/title of the subscriber
    - Address of the subscriber
    - Name and JMB of enterprise for which the shares were subscribed
    - Amount of the cash subscription
 Each CPA will receive the List of shareholders on the electronic media This List will serve as the starting point for returning the cash subscriptions for enterprises with unsuccessful POS Model of the List is given in Annex 7
  - 9 The Joint Register of Enterprises for POS will automatically be updated with indicators of success of the first round of the POS, and ratios between offered and subscribed capital for each enterprise
  - 10 After the Joint Register of Enterprises for POS is updated (step 8), each of the authorized agencies will receive from the FPA the updated data in electronic form
  - 11 Enterprise Registers in CPAs will be updated automatically FPA will deliver to each of the authorized agencies the updated database, which contains the results of sale through POS for each enterprise within the authority of that agency

The Model of the List of Results is given in Annex 8

#### **Output**

Results of POS determined for each enterprise  
 Created Lists of successfully and unsuccessfully offered enterprises  
 FPA submitted request for finalization of payments or for return of subscribed cash and claims, for enterprises under the authority of FPA  
 Created List of subscribers to whom the cash subscriptions must be returned, for enterprises with unsuccessful POS within the FPA authority  
 Joint Register of Enterprises for POS updated  
 Updated Register of Enterprises under the FPA authority  
 Authorized agencies received electronic versions of the Joint Register of Enterprises for POS with updated information

<b>Process</b>	<b>1 3</b>	<b>Implementation of the first round of POS</b>
<b>Procedure</b>	<b>1 3 5</b>	<b>Calculation of results for buyers in the first round of POS</b>

**Input**

Updated Joint Register of Enterprises for POS  
Consolidated data on subscription

**Procedure Description**

*Note* The procedure for calculating results for buyers in the first round of the POS is conducted immediately after the procedure 1 3 4 Determination of results of first round of POS

After the agencies have determined enterprises with successful subscription, the ownership acquired by each subscriber will be calculated

**Steps**

- 1 Representatives of the agencies will sort all subscriptions by JMB number for every enterprise, using the POS module of the IT system. Multiple subscriptions with the same JMB number for that enterprise will be summed up, in order to calculate the total amount subscribed by particular subscriber
- 2 Based on individual subscription data for each subscriber in an enterprise and amount of offered and total capital for that enterprise, the responsible staff from the FPA will calculate amount and percentage of ownership in total capital of the enterprise, for every subscriber. Necessary elements for calculation of results are
  - Amount of total capital of enterprise (TC)
  - Amount of offered capital of enterprise (OC)
  - Total amount of subscription for enterprise (TS)
  - Amount of individual subscription for each subscriber (IS)
  - ratio between amount of subscription and amount of offered capital ( $R = TS / OC$ )
- 3 The calculation will be conducted in the following order
  - a) calculation of amount of capital of enterprise obtained by each individual subscriber IK  
 $IK = IS/R$
  - b) Percentage of offered capital of enterprise obtained by particular individual subscriber  
 $IK/OC \times 100$

c) Percentage of total capital of enterprise obtained by particular individual subscriber

$$IC / TC \times 100$$

Algorithm for calculation of these values must determine the number of decimal places for acquired values, in order to exactly determine the amount and percentage of enterprise capital for each subscriber

**Output**

All subscriptions sorted by JMB numbers of subscribers for all enterprises with successful POS  
Determined total subscribed amount for each subscriber for all enterprises  
Individual results of POS calculated for each subscriber

<b>Process</b>	<b>1 3</b>	<b>Implementation of the first round of POS</b>
<b>Procedure</b>	<b>1 3 6</b>	<b>Create Lists of New Shareholders after the first round of POS</b>

**Inputs**

Calculated results of the POS for subscribers

**Procedure Description**

All agencies (FPA and CPAs) must prepare the New Shareholder Lists for each enterprise under their authority whose POS was successful  
In addition, FPA will deliver the Lists of New Shareholder Lists for all enterprises in the FBiH with successful POS to the Shareholder Database on electronic medium

**Steps**

- 1 Based on the calculated results for subscribers, the system will generate the List of New Shareholders for each authorized agency
- 2 The agency representative will sign and deliver to the person in charge in the agency the New Shareholder Lists  
The layout of the List of New Shareholder is given in Annex 9
- 3 The FPA representative will deliver the New Shareholder Lists for the enterprises in the FPA's authority to the person in charge in the FPA
- 4 The person in charge of the POS in FPA will mail the Lists of new shareholder, along with the Decree on Privatization, to the enterprises no later than 30 days after the calculation of results for buyers
- 5 FPA will deliver to the Shareholder Database the lists of new shareholders for all enterprises with successful POS on electronic medium, no later than 15 days after the calculation for buyers

**Outcome**

Created Lists of new shareholders for enterprises in the competence of FPA  
Lists of new shareholders for all enterprises sent to the Shareholder Database  
Lists of new shareholders for enterprises under the authority of FPA prepared for distribution among enterprises

<b>Process</b>	<b>1 3</b>	<b>Implementation of first round of POS</b>
<b>Procedure</b>	<b>1 3 7</b>	<b>Issue Decree on Privatization for enterprises under FPA authority</b>

**Inputs**

Register of Enterprises under FPA authority  
List of successfully offered enterprises under FPA authority

**Procedure Description**

FPA will issue a Decree on Privatization to each enterprise under its authority that had a successful POS. The Decree will be used for all necessary changes in the legal status of the enterprise and for registration.

**Steps**

- 1 After determining the successfulness of the POS, the FPA will be responsible for preparing and submitting the Decree on Privatization to each successfully sold enterprise in the first round of POS.
- 2 The responsible person in FPA will use the prescribed Decree form, enter all required information (name and JMB of enterprise, implemented method of sale, amount of sold capital). The format and contents of the Decree is given in Annex 10.
- 3 After all Decrees on Privatization are prepared, the responsible person in the FPA will sign and stamp the Decree on privatization.
- 4 The responsible persons in the FPA will mail the Decrees on Privatization, along with the Lists of new shareholders to enterprises, no later than 30 days after the calculation of the POS results for buyers.

**Outcome**

Prepared Decrees on Privatization  
Decrees on Privatization along with the Lists of new shareholders mailed to enterprises

<b>Process</b>	<b>1 3</b>	<b>Implementation of the first round of POS</b>
<b>Procedure</b>	<b>1 3 8</b>	<b>Request delivery of notifications to subscribers</b>

**Inputs**

List of successfully offered enterprises  
 Information on subscribers who subscribed their shares in the successfully sold enterprises (JMB, name, address, acquired ownership in an enterprise)

**Procedure Description**

All subscribers who subscribed their shares in the *successfully offered* enterprises will be notified on the results of POS and on the acquired ownership in the enterprises. The responsible persons in the FPA will request from the ZPP/ZAP to issue such notifications. The notifications will be created by the POS information system, based on the POS results for subscribers delivered by the FPA to the ZPP/ZAP as an electronic file. This electronic set of data must be available to all sub-branches where the subscribers will claim their notifications. Each notification must contain a printed statement that the notification is not a security and that it cannot be traded.

**Steps**

- 1 After calculating results for buyers, the responsible person in the FPA will send to the ZPP/ZAP electronic file containing the following information necessary for printing Notifications for buyers
  - Name, JMB and address of subscriber
  - Name, JMB and address of enterprise whose shares are subscribed
  - Amount of total capital of enterprise
  - Amount of the offered enterprise capital
  - Total subscribed amount for enterprise
  - Subscribed/offered capital ratio
  - Total amount a subscriber subscribed for that enterprise
  - Amount of purchased enterprise capital
  - Number of shares a buyer acquired and nominal value of a single share<sup>2</sup>
 Model of the Notification to buyers is given in Annex 11
- 2 The FPA will issue an order to the ZPP/ZAP to start issuing Notifications to buyers, 10 days after the calculation of results for buyers at the latest. This order will specify the period in which, at the subscriber's request, those Notifications must be delivered. The period for subscribers must not be shorter than 20 days.
- 3 All buyers who subscribed shares of the enterprise with successful POS will be able to obtain the Notification in the ZPP/ZAP sub-branch where they subscribed their shares.

**Outcome**

The electronic file with information about subscribers and acquired ownership in enterprises sent to the ZPP/ZAP  
 Request for issuing Notification to subscribers submitted to the ZPP/ZAP

<sup>2</sup> If that is decided later on, state who and when will make that decision

<b>Process</b>	<b>1 3</b>	<b><i>Implementation of the first round of POS</i></b>
<b>Procedure</b>	<b>1 3 9</b>	<b><i>Announce the results of the first round of POS</i></b>

**Inputs**

List of successfully and List of unsuccessfully offered enterprises

**Procedure Description**

In order to comply with the principles of transparency of the process and to inform the public in a timely manner, the FPA, in cooperation with the CPAs, is obliged to announce the results of the POS in the same media in which the Public Invitation was announced. The deadline for such an announcement is 15 days after establishing the successfulness of the POS for each enterprise.

The responsible person in the FPA will prepare a draft Announcement containing the following information:

- Brief description of the successfulness criteria
- List of successfully offered enterprises
  - JMB and name of enterprise
  - Amount of offered capital
  - Total subscribed amount
  - Subscribed amount/offered capital ratio
- List of unsuccessfully offered enterprises
  - JMB and name of enterprise
  - Amount of offered capital
  - Total subscribed amount
  - Subscribed amount/offered capital ratio

The enterprises in the Announcement will be categorized by the authorized agencies. The model Announcement is given in Annex 12.

**Steps**

- 1 The responsible person in the FPA will prepare the draft Announcement of results based on the existing List of successfully and List of unsuccessfully offered enterprises.
- 2 The operator in charge of designing the draft Announcement will obtain a brief explanation of the successfulness of the offer from the person in charge in the FPA and enter them in computer.
- 3 The prepared draft Announcement will be distributed to all CPAs, including also the sector of the FPA in charge of the POS who will review the Announcement.

- 4 If mistakes are found (e.g. an enterprise is omitted), the agency that establishes the mistake is obliged to require the corrections in writing from the FPA. The person in charge in the FPA will make the needed corrections.
- 5 Announcement of the results of the first round of POS will be published in the same media as the Public Invitation for subscription. The person in charge in the FPA will deliver on electronic media the appropriate number of the Announcements of the results to the authorized agencies and coordinate with their representatives a simultaneous publishing of the results in the whole F BiH.

**Outcome**

Prepared draft Announcement of the POS results

The draft reviewed by the authorized agencies

Published POS results

<b>Process</b>	<b>1 3</b>	<b>Implementation of the first round of POS</b>
<b>Procedure</b>	<b>1 3 10</b>	<b>Update the Central Enterprise Register</b>

**Inputs**

Updated Registers of Enterprises in the FPA and CPAs

**Procedure Description**

Since the Central Register was the main source of information about the enterprises used for creating the Joint Register for POS, the results of the sales in the first round of POS must be updated in the Central Register, based on the results of the first round of POS submitted electronically by the ZPP/ZAP

**Steps**

- 1 Upon the consolidation of data and calculation of the results for the enterprises offered in the first round of POS, the Central Register of Enterprises should be updated using the results of the first round of POS
- 2 Information about enterprises will be updated by electronic file-transfer of the results of the first round of POS from the ZPP/ZAP

**Outcome**

Updated Central Register of Enterprises after the first round of POS

**Process**      **1 3**      **Implementation of the first round of POS**

**Procedure**    **1 3 11**    **Return the subscribed cash to subscribers of the  
unsuccessfully offered enterprises through POS**

**Inputs**

ZPP's report on transfer of the subscribed cash, during the subscription period, from the temporary to the cumulative cash account of the FPA

List of unsuccessfully offered enterprises under the authority of the FPA

List of subscribers to whom the subscribed cash must be returned for unsuccessfully offered enterprises under the authority of FPA

**Procedure Description**

FPA will return the cash subscriptions to all subscribers of unsuccessfully offered enterprises, within the authority of the FPA, via postal orders

**Steps**

- 1 Upon receipt of the ZPP's report on completed transaction, of the subscribed cash to the cash account of the FPA, the responsible person at the FPA will acquire the postal orders which will be used for the return of the cash to subscribers
- 2 In preparing the postal orders, the responsible person will use the information contained in the List of subscribers to whom the cash subscriptions for the unsuccessfully offered enterprises must be returned
- 3 Properly prepared postal orders will be forwarded to PTT offices for the final delivery to the subscribers

**Outcome**

Prepared postal orders

Postal orders delivered to subscribers via PTT

<b>Process</b>	<b>1 4</b>	<b>Preparation of the second round of POS</b>
<b>Procedure</b>	<b>1 4 1</b>	<b>Make decision on duration of subscription of shares</b>

**Inputs**

Regulations on Procedures for Sale of Assets and Shares or Equity Units in an Enterprise  
 Information on the number of enterprises to be offered for sale  
 Information on extinguished claims

**Procedure Description**

It is the duty of the FPA to make a decision on the time period for subscription of shares in POS, when preparing for the POS Pursuant to the Regulations on Procedures for Sale of Assets and Shares or Equity Units in an Enterprise, the period for subscription of shares in the process of POS must not be shorter than 30 days or longer than 60 days

**Steps**

- 1 The FPA Management Board is responsible for making a decision on the length of the subscription period in the second round of POS In making the decision, the Management Board of the Agency will take into account the number of enterprises to be offered in the second round of POS, as well as the amount of the unused claims in the citizens' accounts In making the decision it should also be taken into account that the length of the period is in direct proportion with the number of unused claims and with the number of enterprises that will be offered in the second round of POS
- 2 Upon making the decision on the length of the subscription period, the responsible person in the FPA will inform the CPAs and ZPP/ZAP thereof
- 3 The decision on the duration of POS will be stated in the Public Invitation

**Outcome**

The decision on the deadline of subscription of shares in the second round of POS made

<b>Process</b>	<b>1 4</b>	<b>Preparation of the second round of POS</b>
<b>Procedure</b>	<b>1 4 2</b>	<b>Create Joint Register of Enterprises for the second round of POS</b>

**Inputs**

Joint Register of Enterprises for the first round of POS with entered information on subscription results from the first round of POS

**Procedure Description**

Enterprises that were offered but not privatized in the first round of POS will be offered in the second round of POS. The Register of Enterprises for the second round of POS will contain the following information about enterprises:

- Name of enterprise
- JMB number of enterprise
- Number of court registration of enterprise
- Business activity code
- Address of residence
- Total capital of enterprise
- amount of private capital and percentage of private capital in total capital
- amount of state/social capital and percentage of state/social ownership in total capital
- amount of state/social capital to be sold and percentage of state/social ownership in total capital
- ratio of subscribed capital and offered capital from the first round

**Steps**

- 1 All enterprises with the ratio of the subscribed capital and offered capital in the first round of POS of less than 0,8 or more than 1,2, will be included in the Joint Register of Enterprises for the second round of POS
- 2 Upon completion of Step 1, the Lists of Enterprises included in the Joint Register of Enterprises for POS for the second round of POS will be printed and delivered to authorized agencies accompanied with a memo stating that all agencies are obliged to confirm in writing the correctness of the information before the designated deadline. The responsible person in the FPA will perform the review for the enterprises in the FPA's competence
- 3 If during the review of the submitted list the authorized agency notices an error, the responsible person from that agency will request appropriate corrections
- 4 Upon creating the Joint Register of Enterprises for POS for the second round of POS, the electronic file of the Joint Register of Enterprises for POS (electronic table) will be transferred to the Claims Register in the ZPP/ZAP Central, to allow processing of share subscriptions

**Outcome**

The Joint Register of Enterprises for POS for the second round of POS created  
Electronic file with data from the Joint Register of Enterprises for POS (electronic table) delivered to the ZPP/ZAP Central

<b>Process</b>	<b>1 4</b>	<b>Preparation of the second round of POS</b>
<b>Procedure</b>	<b>1 4 3</b>	<b>Prepare Public Invitation for the second round of POS</b>

**Inputs**

Regulations on Procedures for Sale of Assets and Shares or Equity Units in an Enterprise, Joint Register of Enterprises for POS for second round of POS, Central Register of Enterprises

**Procedure Description**

As in the first round, the FPA is legally bound to announce the beginning of the second round of POS. The responsible person in the FPA will prepare the Public Invitation for POS that should include information about offered enterprises and the process of subscription. This Invitation will be unique for the whole FBiH.

The enterprises included in the Public Invitation will be grouped according to authorized agencies for privatization (FPA or CPA).

Information on enterprises will include the following:

- name, registration number, code and title of business activity and domicile
- amount of total capital
- amount and percentage of total capital owned by private shareholders
- amount and percentage of state/social capital in total capital
- amount of state/social capital to be sold through POS and its percentage in total capital
- subscribed capital/capital offered in the first round of POS ratio
- authorized agency for privatization

The Invitation will also include information about agencies for privatization and about second round of subscription, which will be entered in the computer system prior to publishing the Public Invitation.

- address of the agency
- telephone
- account number for payment in cash
- information about subscription (time period of subscription, information on subscribed orders, results calculation method)

**Steps**

- 1 All enterprises that are included in the Joint Register of Enterprises for POS for the second round of POS must also be included in the Public Invitation for the second round of POS. The responsible person in the FPA will incorporate in the Public Invitation all above stated information about enterprises. The FPA official in charge of preparation of the Public Invitation will, apart from the information on enterprises, ensure that all relevant information on all agencies for privatization (correct name of the agency, number of account for cash payments, and contact person telephone number) be included in the Public Invitation.
- 2 Alongside the information on the offered enterprises and authorized agencies, the responsible person in the FPA must include in the Public Invitation the following information on the subscription process:
  - instructions for citizens on location of share subscription centers
  - working hours of the subscription centers
  - instructions about the order forms (where to find, how to fill out, fee charged for orders)
  - Designated subscription period, according to the FPA Management Board Decision
  - Method of calculation of results

Since the information listed above are not kept anywhere in the system, the operator will enter these information in the computer system before printing the Public Invitation.

- 3 Based on these information, the FPA will create a draft Public Invitation.
- 4 The created draft Public Invitation will be submitted to all authorized agencies for review. Responsible persons in the authorized agencies will check the information on the enterprises in their competence as well as the information on the agency. If they find an error, request for corrections will be send to the FPA in writing.
- 5 Upon entering the corrections, or if there are no requests for corrections, the Public invitation will be finalized. The responsible person in the FPA will deliver on electronic medium the finalized Public Invitation for the second round of POS to all CPAs.
- 6 The responsible person must coordinate with the CPAs a simultaneous announcement of the Public Invitation on the entire territory of the FBiH.

**Outcome**

Prepared Public Invitation for the second round of POS  
Final version of the Public Invitation delivered to all CPAs

<b>Process</b>	<b>1 5</b>	<b>Implementation of the second round of POS</b>
<b>Procedure</b>	<b>1 5 1</b>	<b>Publish Public Invitation for the second round of POS</b>

**Input**

Public Invitation for the second round of the POS prepared

**Description**

Each unauthorized agency will select one public media, available on the entire territory of the respective Canton, where the Public Invitation will be published. The Public Invitation is uniform for the entire FBiH.

In case that none of the authorized agencies chooses a daily newspaper available within the whole territory of the FBiH, the FPA is required to publish a Public Invitation in such newspapers.

**Steps**

- 1 After the FPA receives the information from each agency about the media in which it will announce the Public Invitation for the territory of each Canton individually, and in case none of the chosen media is the daily newspaper available at the territory of the whole FBiH, the FPA will assume the responsibility to announce it in one such media.  
(Note: since the announcement of Public Invitation in a daily newspaper implies significant expenses and since Public Invitation is published at the same time throughout the whole territory of the FBiH, agencies may coordinate a joint announcement in the same media. In case that more than one agency decides to make the announcement in the same media, the agencies' staff charged with this task will ensure that, along with the announced Public Invitation, agencies participating in that announcement be stated.)
- 2 Public Invitation for the second round of POS must be announced for the second round at the same time throughout the territory of the whole FBiH. Responsible person at the FPA will contact appropriate staff in the CPAs to determine the date for publishing the Public Invitation in entire FBiH.

**Outcome**

Public invitation for the second round of the POS published

<b>Process</b>	<b>1 5</b>	<b>Implementation of the second round of POS</b>
<b>Procedure</b>	<b>1 5 2</b>	<b>Monitor the process of shares subscriptions in the second round</b>

**Input**

Daily reports on subscription delivered by the ZPP/ZAP

**Procedure Description**

The responsibilities of the ZPP/ZAP include preparation and submitting of daily reports on subscription during the subscription period. Daily reports must be delivered to agencies in electronic format. Since the ZPP/ZAP is electronically connected with the FPA, and the FPA with CPAs, the ZPP/ZAP will deliver reports to the FPA electronically on a daily basis. The responsible staff in the FPA will electronically distribute the received reports to CPAs immediately.

A daily report consists of two parts:

- a) the amount of subscribed claims and cash in POS in each Canton and in the FBiH, for the particular day
- b) the amount of subscribed claims and cash in POS for Cantons and the F B i H during the elapsed subscription period

**Steps**

- 1 The responsible person in the FPA will, upon acceptance of the electronic version of the daily report from the ZPP/ZAP, forward the report immediately to CPAs electronically
- 2 The responsible person in the FPA should track the level of subscription, in other words, the ratio of unused claims in the Federation to the amount of claims used for subscription of shares
- 3 If the results of this study point out that the subscription is lower than expected, the FPA may decide to intensify public education campaign in order to give impetus for the more extensive participation in the POS
- 4 If the number of participants is higher than sub-branches of the ZPP/ZAP can process during standard daily working hours, the FPA may request from the ZPP/ZAP to extend working hours of sub-branches

**Outcome**

Daily reports submitted to CPAs

Daily reports reviewed

Appropriate decisions related to public education campaign and working hours of ZPP/ZAP sub-branches made

<b>Process</b>	<b>1 5</b>	<b><i>Implementation of the second round of POS</i></b>
<b>Procedure</b>	<b>1 5 3</b>	<b><i>Notification of the time for determination of results for the second round of POS</i></b>

**Input**

Regulations on Procedures for Sale of Assets and Shares or Equity Units in an Enterprise

**Procedure Description**

All authorized agencies will, through their representatives from their appropriate departments, participate in calculation of POS results

**Steps**

- 1 Representatives of all CPAs, along with the FPA representative will determine results of the second round of POS Seven days before the end of the subscription process the responsible person in the FPA will make decision on exact time for calculation of results
- 2 The responsible person in the FPA will send information in writing (by telefax) to representatives of CPAs with specified time and place for calculation of results Also, the information in writing will contain request to all CPAs to confirm participation of their representative, the latest 2 days after the information is received If any CPA does not confirm participation, or if they refuse to send a representative, the responsible person from the FPA will appoint an FPA official, who will participate in calculation of results as a representative of respective CPA

**Outcome**

Representatives of the agencies notified about time and place of POS results calculation

<b>Process</b>	<b>1 5</b>	<b><i>Implementation of the second round of POS</i></b>
<b>Procedure</b>	<b>1 5 4</b>	<b><i>Determine results of the second round of POS</i></b>

**Input**

Regulations on Procedures for Sale of Assets and Shares or Equity units in an Enterprise  
Consolidated data on subscription

**Procedure Description**

Same as after the first round of the POS, the ZPP/ZAP must consolidate data about subscription of claims and cash by enterprises. Five days upon completion of subscription period, the consolidated data must be given at disposal of the FPA and CPA representatives. All agencies, through their representatives, calculate results of the POS at the same time, by using the unique information technology system, e.g. by using same equipment and computer program.

**Steps**

1. With subscription completed and data consolidated, the agencies' representatives will take over consolidated data from the ZPP/ZAP.
2. Using the POS module, the authorized agencies will calculate the total amount of subscription for each enterprise and after that the ratio of subscription to the offered capital. This procedure will be possible only after entering of the adequate code ("password"). When representatives of the agencies meet, the IT department representatives will hand over the code in a sealed envelope to the database administrator, who will enter it in computer.
3. Database administrator will create lists of subscription results for each authorized agency. The lists will contain the following data:
  - name and JMB of the enterprise
  - amount of subscription
  - amount of offered capital
  - ratio of subscribed to offered capital
  - indicator "Successful POS" for successfully offered enterprises
  - indicator "Unsuccessful POS" for unsuccessfully offered enterprises

Creation of Lists of results implies that the system will calculate the total subscription for every enterprise and calculate the ratio of subscribed to offered capital for each enterprise. The system will, for all those enterprises which have the subscription ratio higher than 0, enter the indicator in the column "Successful POS". For all other enterprises for which the subscription equals 0, the system will enter the indicator in the column "Unsuccessful POS".

4. Upon generating result lists, representatives of each authorized agency will sign lists of results for enterprises under their jurisdiction. By taking that action, all agency

- representatives will confirm their participation in calculation and validity of determined results
- 5 After creation and signing of the Lists of results, the responsible employee in the FPA will create two integral Lists for the whole F BiH the list of successfully offered enterprises and the List of unsuccessfully offered enterprises The Lists will be used for publishing results of the second round of subscription
  - 6 Each agency will receive the Lists of successfully and unsuccessfully offered enterprises from their area of responsibility Each agency will forward the Lists to their Management Board for confirmation of subscription results
  - 7 Upon creation of Lists of successfully and the List of unsuccessfully offered enterprises, the responsible person in the FPA will require from the ZPP/ZAP to finalize payment for enterprises under its authority The order to the ZPP/ZAP implies the request to transfer the cash paid in for enterprises with successful subscription from the FPA's temporary account to the FPA's cash account, and to transfer all the claims to the cumulative claims account With the request for transfer of funds, the FPA will submit to the ZPP/ZAP the list of successfully offered and the list of unsuccessfully offered enterprises under their authority
  - 8 Indicators of successfulness will automatically be entered in the Joint Register of Enterprises for POS for the second round of POS as well as ratio of subscribed to offered capital for all enterprises
  - 9 Upon updating the Joint Register of Enterprises for POS for the second round of the POS (step 8), each of the authorized agencies will receive from the FPA the updated data on electronic media
  - 10 Enterprise Registers in CPAs will be updated automatically The FPA will deliver updated data to each of the authorized agencies Updated data will contain the results of sale through the POS for each of the offered enterprises within the authority of each particular agency

**Outcome**

Results of the POS for each enterprise determined

Lists of successfully offered and unsuccessfully offered enterprises created

Order to finalize payments for enterprises under the authority of the FPA is submitted to the ZPP/ZAP

Joint Register of Enterprises for POS for the second round of POS updated

Register of enterprises under the authority of the FPA updated

Electronic versions of the Joint Register of Enterprises for POS for the second round of the POS delivered to authorized agencies with updated data

<b>Process</b>	<b>1 5</b>	<b>Implementation of the second round of POS</b>
<b>Procedure</b>	<b>1 5 5</b>	<b>Calculate results for buyers in the second round of POS</b>

**Input**

Updated Joint Register of Enterprises for POS for the second round of POS  
Consolidated data on subscription

**Procedure Description**

*Note* Procedure of calculation of results for buyers in the second round of POS will occur immediately after procedure 1 5 4 (Determine the results of the second round)

After the agencies have determined enterprises with successful subscriptions, the ownership acquired by each subscriber will be calculated

**Steps**

- 1 Representatives of the agencies will sort out all subscriptions by subscribers' JMBs for every enterprise, using the POS module of IT system. Multiple subscriptions with the same JMB for a particular enterprise will be added up in order to determine the total amount subscribed by one subscriber
- 2 Based on individual subscription data for every subscriber in the enterprise and the amount of offered and total capital for that enterprise, the responsible persons from the authorized agency will calculate amount and percent of ownership in the total capital of enterprise for every subscriber. The necessary elements for calculation of results are
  - Amount of total capital of an enterprise (TC)
  - Amount of offered capital of an enterprise (OC)
  - Total amount of subscription for an enterprise (TS)
  - Amount of individual subscription for every subscriber (IS)
  - ratio of amount of subscription to the amount of offered capital ( $R = TS / OC$ )
- 4 Calculation will be carried out in the following order
  - a) Calculation of amount of capital of enterprise which each individual subscriber acquired  

$$IC = IS / R$$
  - b) Percent of offered capital of the enterprise which the individual subscriber acquired  

$$IC / OC \times 100$$
  - c) Percent of total capital of enterprise which the individual subscriber acquired  

$$IC / TC \times 100$$

Algorithm for calculation of these values must determine the number of decimal places for the acquired values in order to determine the amount and percent of capital of an enterprise for each subscriber accurately

**Outcome**

All subscriptions sorted out by JMBs of subscribers for all enterprises with successful POS  
Determined total subscribed amount for each subscriber for all enterprises  
Individual results of POS calculated for every subscriber

<b>Process</b>	<b>1 5</b>	<b>Implementation of the second round of POS</b>
<b>Procedure</b>	<b>1 5 6</b>	<b>Create Lists of New Shareholders after the second round of POS</b>

**Input**

Calculated results of the second round of POS for subscribers

All authorized agencies (the FPA and CPAs) must prepare Lists of new shareholders for each enterprise with successful POS under their authority

Moreover, the FPA will submit the lists of new shareholders for all enterprises in the F BiH with successful POS to the Shareholders Database in electronic media

**Steps**

- 1 Based on calculated results by subscribers, the system will generate Lists of new shareholders for each authorized agency
- 2 Representatives of each authorized agencies will sign the created lists of new shareholders and deliver them to the competent person in the agency
- 3 The FPA representatives will deliver the created Lists of new shareholders for enterprises under the authority of the FPA to the responsible person in the FPA
- 4 The responsible person in the POS department of the FPA will deliver Lists of new shareholders to enterprises by mail, along with the Decree on privatization within 30 days upon calculating results for buyers
- 5 The FPA will deliver Lists of new shareholders of all enterprises with the successful POS to the Shareholders Database in electronic format within 15 days upon calculating results for buyers at the latest

**Outcome**

Created Lists of new shareholders under the authority of the FPA

Forwarded Lists of new shareholders for all enterprises to the Shareholders Database

Prepared Lists of new shareholders for enterprises under the authority of the FPA for distribution to enterprises

<b>Process</b>	<b>1 5</b>	<b>Implementation of the second round of POS</b>
<b>Procedure</b>	<b>1 5 7</b>	<b>Issue Decree on privatization for enterprises under FPA authority</b>

**Input**

Register of Enterprises under the authority of the FPA,  
List of successfully offered enterprises under the authority of the FPA

**Procedure Description**

The FPA will issue a Decree on privatization for each enterprise under its authority that had a successful POS. The Decree will be used for all necessary changes in terms of legal status of the enterprise and for registration.

**Steps**

- 1 Upon determining the successfulness of the second round of the POS, the FPA has the responsibility to prepare and submit to the Decree on privatization for all enterprises, under its authority, with the successful POS round.
- 2 The responsible person in the FPA, using the prescribed form of the Decree, will enter all necessary data (name and JMB of the enterprise, implemented method of sale, amount of sold capital).
- 3 The responsible person in the FPA will sign and certify by seal all prepared Decrees on effectuated privatization.
- 4 The responsible persons in the FPA will send Decrees to enterprises by mail, along with Lists of new shareholders, no later than 30 days from calculation of POS results for buyers.

**Outcome**

Created Decrees on privatization  
Decrees on privatization along with the List of new shareholders mailed to enterprises

<i>Process</i>	<i>1 5</i>	<i>Implementation of the second round of POS</i>
<i>Procedure</i>	<i>1 5 8</i>	<i>Announce results of the second round of POS</i>

**Input**

Lists of successfully and Lists of unsuccessfully offered enterprises

**Procedure Description**

In order to comply the principles of transparency of the process and in order to timely inform the public, the FPA, in cooperation with CPAs, is obligated to announce results of the POS in those same media in which the Public Invitation was announced. The deadline for this announcement is 5 days from calculation of POS results for every enterprise.

The responsible person in the FPA will prepare the draft of the Announcement which will contain the following data:

- Brief description of the successfulness of criteria
- List of successfully offered enterprises
  - 
  - JMB and name of the enterprise
  - Amount of offered capital
  - Total amount subscribed
  - Subscribed amount / offered amount of capital ratio
- List of unsuccessfully offered enterprises
  - JMB and name of the enterprise
  - Offered capital amount

Enterprises in the Announcement will be organized by their authorized agencies.

**Steps**

- 1 The responsible person in the FPA will prepare the draft of the Announcement of the POS results, based on the existing List of successfully offered and the List of unsuccessfully offered enterprises.
- 2 The operator in charge of creating the draft of the Announcement will receive from the FPA a short explanation of successfulness criteria of the offer and enter it in computer.
- 3 Prepared draft of the Announcement of results will be distributed to all CPAs, including the FPA's department for POS, for verification purposes.
- 4 If the existence of errors is determined (for example an enterprise is not included), the agency that finds the errors is required to demand corrections in the written form from the FPA. The responsible person in the FPA will make the necessary corrections.
- 5 The Announcement of results of the POS second round will be announced in the same media in which the Public Invitation for subscription was announced. The responsible person in the FPA will deliver the relevant number of the Announcement of results copies.

to the authorized agencies and coordinate with their representatives a simultaneous publishing of results in the whole F BiH

**Outcome**

Prepared draft of the Announcement of the POS results prepared

Draft reviewed by authorized agencies

Published POS results

<b>Proces</b>	<b>1 5</b>	<b>Implementation of the second round of POS</b>
<b>Procedure</b>	<b>1 5 9</b>	<b>Request delivery of notifications to subscribers</b>

**Input**

List of successfully offered enterprises

Data about subscribers that effectuated subscriptions in the successfully offered enterprises (JMB, name, address, acquired ownership in an enterprise)

**Procedure Description**

All subscribers that subscribed shares of the *successfully offered* enterprises should be informed about the POS results and their acquired ownership in enterprises. Responsible staff in the FPA will require generating of such Notifications from the ZPP/ZAP. The Notifications will be created by the POS information technology system and on the basis of data about POS results for subscribers which the FPA will deliver to the ZPP/ZAP as an electronic file. This electronic set of data must be available in all sub-branches in which it will be possible for subscribers to request their Notifications. Each Notification will contain the printed statement that the Notification is not a security and that it is not tradable.

**Steps**

- 1 Upon calculation of results for buyers, the responsible person in the FPA will deliver to the ZPP/ZAP the electronic file which will contain the following data necessary for printing of Notifications for buyers
  - Name, JMB and address of the subscriber
  - Name, JMB and address of the enterprise whose shares are subscribed
  - Amount of total capital of enterprise
  - Amount of offered capital of the enterprise
  - Total subscribed amount of the enterprise
  - Subscribed amount to offered capital ratio
  - Total amount that the subscriber subscribed for that enterprise
  - Amount of bought capital of the enterprise
  - Number of shares that a buyer acquired and nominal value of one share<sup>3</sup>
- 2 The FPA will, at the latest 10 days after the calculation of results for buyers, issue an order to the ZPP/ZAP to start issuing Notifications for buyers. This request will specify the deadline in which, upon request of a subscriber, the Notification must be issued. The period for buyers must not be shorter than 20 days.

<sup>3</sup> If this is to be decided later, it should be stated who will make that decision and when

- 3 All buyers that subscribed shares of the enterprise within the aforementioned deadline, will be able to receive Notifications in the sub-branch of the ZPP/ZAP in which they subscribed the shares

**Outcome**

Electronic file with data about subscribers and acquired ownership in enterprises to the ZPP/ZAP delivered

Request to issue Notifications for subscribers submitted to ZPP/ZAP

**Process**      **1 5**                      **Implementation of the second round of POS**

**Procedure**    **1 5 10**                      **Update the Central Enterprise Register**

**Input**

Updated Registers of Enterprises in the FPA and CPAs

**Procedure Description**

Since the Central Register was the main source of information about enterprises used for creation of the Joint Register of Enterprises for POS for the POS, the results of sales after the second round of the POS must be updated in the Central Register on the basis of electronically delivered results of the second round of the POS from the ZPP/ZAP

**Steps**

- 1 After consolidation of data and calculation of results for enterprises offered in the second round of the POS are completed, the Central Register of Enterprises should be updated according to results of the second round of the POS
- 2 The data about enterprises will be updated by the electronic file transfer of results of the second round of the POS from the ZPP/ZAP

**Outcome**

Updated The Central Register of Enterprises after the second round of the POS

**2 CANTONAL PRIVATIZATION AGENCY**

### ***Role of Cantonal Privatization Agency***

Cantonal Privatization Agencies are, as well as the FPA, the implementing institutions of the POS

During the preparation stage, CPAs will define the supply, in other words, determine enterprises under their authority and the amount of the state/socially owned capital of these enterprises that will be offered in the Public Offering of Shares. CPAs will participate in the preparation of the Catalog of enterprises for the POS and preparation of Public Invitation for the POS. Activities of CPAs in defining supply and preparation of the POS, are described in the processes 2.1 *Updating Amounts of State Capital for the POS* and 2.2 *Preparation of the POS*

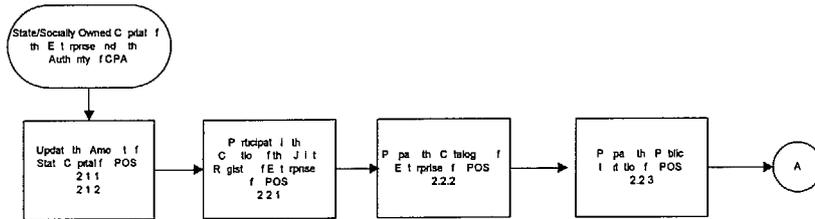
CPAs will announce the Public Invitation for subscription of shares which will initiate the stage of POS implementation. During the implementation stage of the POS, CPAs will, on the basis of daily reports on subscription, follow the development of the subscription process. At the end of subscription period, CPAs will determine the successfulness of subscription for enterprises under their authority, as well as results of subscription for subscribers that subscribed shares of the successfully offered enterprises. CPAs will submit Decrees on privatization along with the list of new shareholders to all enterprises under their authority with the successful POS. The activities of the CPAs in the implementation stage of the POS are described in the process 2.3 *Implementation of the POS*

Enterprises for which the first round of the POS was not successful, will be offered for subscription in the second round of the POS, as described in the Process 2.4 *Implementation of the Second Round of the POS*

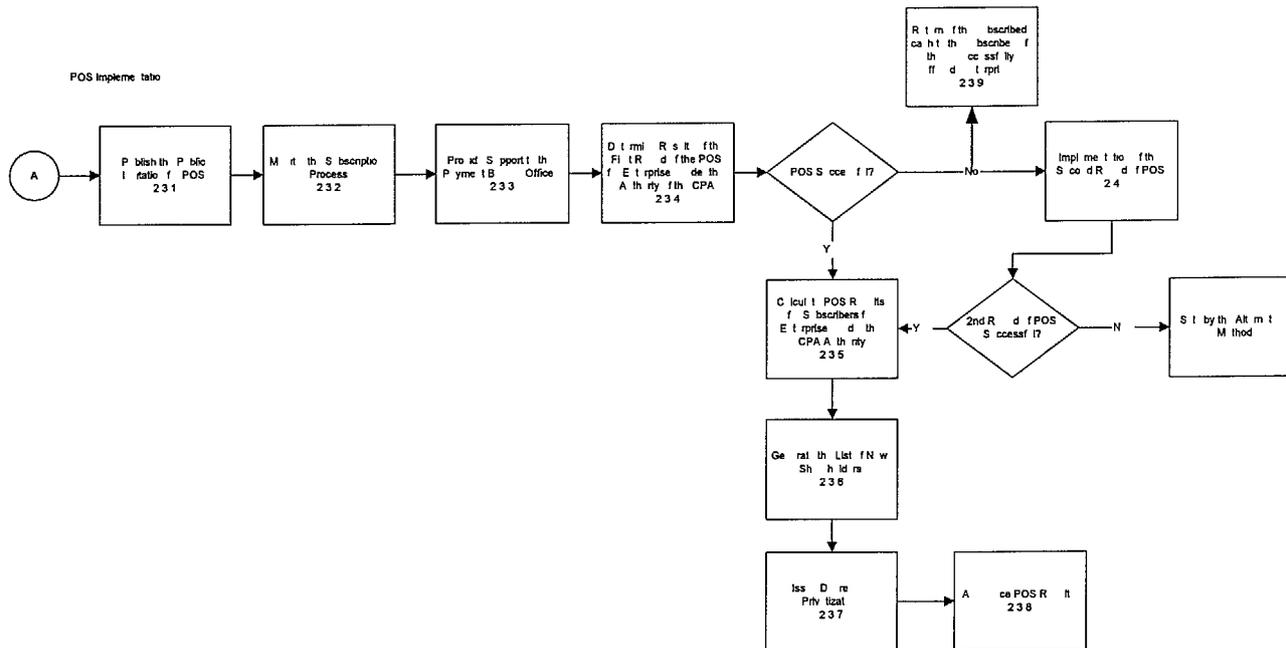
The second round of the POS will be considered unsuccessful for those enterprises for which nobody subscribes shares, the CPA will have to decide about alternative method of sale for such enterprises

Cantonal Privatization Agency

POS Preparation



POS Implementation



<b>Process</b>	<b>2 1</b>	<b>Update the amount of state capital for POS</b>
<b>Procedure</b>	<b>2 1 1</b>	<b>Identify Enterprises under the authority of CPAs which must update OBS</b>

**Input**

OBS of enterprises under the authority of CPAs approved  
 Decisions on the method of sale of enterprises under the authority of CPAs made  
 Register of enterprises under the authority of CPAs

**Procedure Description**

Within the preparation for sale through POS, the responsible persons in CPAs must establish, for enterprises under their authority, the exact amount of state/socially owned capital in the OBS

**Steps**

- 1 The administrator of the Enterprise Registry in the CPA will, upon request of the responsible person from the CPA, will generate a list of enterprises which must update their OBSs from the Register of enterprises under the authority of the CPA
- 2 The updated OBSs must be in accordance with the Instructions on Changes and Amendments of Instructions on Structure and Contents of Forms for Reporting Data from the Opening Balance Sheet<sup>4</sup>
- 3 List of enterprises which must update their OBSs will be created 45 days before the announcement of the Public Invitation for the POS  
The Model of the list is given Annex 1
- 4 If the enterprise should update its OBS, the CPA will inform the enterprise in the written form, that the OBS should be updated prior to offering the enterprise in the POS
- 5 The administrator of the IS Register of enterprises in the CPA will create Notifications, for all enterprises in the list (step 3), on the next day after creating the list The Notification will contain
  - name of the enterprise
  - address of the enterprise
  - explanation why the updating is necessary

Model of the Notification is given in Annex 2

- 6 The deadline of 14 days from the date of Notification, within which the updated OBSs must be delivered to CPAs, will be precisely stated
- 7 The responsible person in the CPA will sign and certify with the seal all Notifications
- 8 Notifications will be delivered to enterprises by registered mail immediately upon their creation

**Outcome**

Enterprises under the authority of CPAs which must update their OBS identified and notified

<sup>4</sup> Instructions published in the Official Gazette of the FBiH No 26/99

<b>Process</b>	<b>2 1</b>	<b><i>Update the amount of state capital for POS</i></b>
<b>Procedure</b>	<b>2 1 2</b>	<b><i>Approve the updated OBS for enterprises under CPA authority and update the amount of capital to be offered in POS</i></b>

**Input**

Updated OBS and accompanying documentation submitted  
 Decisions on the method of sale of the enterprise under CPA authority made  
 Register of enterprises under CPA authority

**Steps**

- 1 The CPA staff in charge of POS shall review all updated OBSs and accompanying documentation for enterprises under its authority
- 2 If an enterprise has correctly updated its OBS, the OBS shall be accepted, and if it has not, the responsible person from CPA shall notify the contact person at the given enterprise of the need for correction
- 3 The amount of state/social capital of an enterprise under CPA authority designated for sale in POS shall be updated in accordance with the updated OBS
- 4 In case that the enterprises obliged to update their OBS fail to do so by the given deadline, the responsible staff at the CPA shall perform this task
- 5 Once the CPA staff in charge of POS has approved the updated OBSs, the operator of the Enterprise Register under the CPA authority shall be requested to update the Enterprise Register in accordance with decisions on the updated OBS
- 6 The operator shall insert into the Enterprise Register under the CPA authority the appropriate indicator based on the decision of the responsible CPA staff on the submitted OBS (Approved, Requires changes, Rejected)
- 7 The updated amount of capital to be offered in POS shall be entered into the appropriate field of the Enterprise Register for each enterprise under the CPA authority
- 8 Upon the request by FPA staff, the operator of Enterprise Register under the CPA authority shall deliver the updated data to the Central Enterprise Register via file-transfer
- 9 By delivering the aforementioned CPA file to the Central Register level, located at the FPA, the obligation of the CPA to furnish updated information on enterprises under its authority to the Central Register is fulfilled

**Output**

Reviewed OBSs  
 OBSs approved or the enterprise notified of required changes  
 Determined state/social capital available for sale through POS  
 Updated Central Enterprise Register

**Process**      2 2                      **Preparation of POS**

**Procedure**    2 2 1                      **Participate in the preparation of the Joint Register of Enterprises for POS**

#### **Input**

Updated Enterprise Register under the CPA authority

FPA request for delivering file-transfer with updated information on enterprises under the CPA authority

#### **Procedure Description**

In the process of preparing POS, the FPA and CPAs create the Joint Register of Enterprises for POS. The Joint Register of Enterprises for POS is created electronically from the Central Enterprise Register. The precondition for creating the Joint Register of Enterprises POS is that the information on all enterprises at the Central Enterprise Register is updated based on the data provided from the CPAs and the FPA.

The Joint Register of Enterprises for POS will contain the following information:

- name of enterprise
- JMB number of enterprise
- number of court registration of enterprise
- code of business activity
- address of residence
- total capital of enterprise
- amount of private capital and percentage of private capital in the total capital
- amount of state/social capital and percentage of state/social ownership in the total capital
- amount of state/social capital being sold in public offering of shares and percentage of that capital in the total capital of the enterprise

#### **Steps**

1. Based on received file-transfers with updated data, the responsible person at the FPA shall create the list of enterprises for each CPA separately to enable CPAs to check whether the information on enterprises under the authority of each CPA have been correctly indicated.
2. After creating the Joint Register of Enterprises for POS, the responsible person at the FPA shall print out the lists of enterprises included in the Joint Register of Enterprises for POS. The lists created shall be delivered to each authorized agency along with a communication indicating that it is the responsibility of each agency to confirm in writing the accuracy of data on the enterprises under its authority by the date indicated.
3. Should errors be detected, the CPA is obliged to perform new file-transfer with corrected data by the deadline indicated in the FPA communication.
4. If the responsible person at the CPA does not detect any errors in the data on the list, he/she will confirm the accuracy of the data in writing by the deadline indicated in the FPA communication.

- 5 Once all agencies confirm the accuracy of data, neither any of CPAs nor the FPA department for POS shall be able to make changes in the data on their enterprises in the Central Enterprise Register

**Output**

Control lists received from the FPA

New file-transfer with updated data performed, if required due to errors

<b>Process</b>	<b>2 2</b>	<b>Preparation of POS</b>
<b>Procedure</b>	<b>2 2 2</b>	<b>Prepare Catalogue of Enterprises for POS</b>

**Input**

Draft Catalog received from FPA

**Procedure Description**

The Catalog of enterprises for POS is prepared jointly by the FPA and CPAs. The Catalog will provide elementary information on enterprises to potential investors.

The enterprises included in the Catalog will be categorized in groups according to the authorized agency, and then according to the code of business activity. The Catalog will also contain basic information regarding the subscription process, the work hours of the ZPP/ZAP sub-branches as well as the methodology for calculating results. The Catalog of enterprises for POS is created on the basis of information comprised in the Joint Register of Enterprises for POS, or in the Central Enterprise Register.

**Steps**

- 1 Upon receiving the draft Catalog of enterprises for POS from the FPA, the responsible person at the CPA shall review the data from the Catalog referring to the enterprises under the authority of the given CPA as well as the data concerning the CPA
  - are all the enterprises for POS from the respective canton represented
  - are the data on those enterprises accurate
  - is the information concerning the CPA accurate (address, contact person, account number)
- 2 If errors are detected, the responsible person at the CPA shall prepare a written request for changes to the FPA indicating accurate data to be included in the Catalog. The request for changes, verified and signed, will be delivered at the earliest convenience to the responsible person at the FPA.
- 3 Once the FPA has prepared the final version of the Catalog of enterprises for POS and printed out sufficient number of copies for all agencies and all sub-branches and branches of the ZPP/ZAP in the whole F BiH, the responsible person in each CPA shall organize distribution of the Catalog of enterprises for POS to each ZPP/ZAP branch in the territory of the respective canton.
- 4 If the CPAs receive instructions from the FPA, the CPAs will organize the selling of the Catalog to interested parties.

**Output**

Draft Catalog of enterprises for POS received and reviewed

Written request for corrections in the draft Catalog of enterprises for POS delivered

Appropriate number of copies of the Catalog of enterprises for POS to satisfy the needs of all CPAs and ZPP/ZAP sub-branches and branches in the respective cantons received

The Catalog of enterprises for POS distributed to ZPP/ZAP branches

<b>Process</b>	<b>2 2</b>	<b>Preparation of POS</b>
<b>Procedure</b>	<b>2 2 3</b>	<b>Prepare Public Invitation for the first round of POS</b>

**Input**

Public Invitation received from the FPA

**Procedure Description**

The FPA responsible person shall prepare draft Public Invitation for POS which is to be submitted to CPAs for review. The CPA responsible person shall review the section of the Public Invitation referring to enterprises under the authority of the respective CPA as well as the data referring to the agency. Should any errors be detected, the CPA responsible person shall promptly request corrections from the responsible person at the FPA and provide accurate information to be included in the Public Invitation for POS.

Public Invitation for POS comprises the following information on enterprises:

- Name, registration number, business activity code, address
- Amount of total capital
- Percentage of total capital owned by private shareholders
- Amount of state/social capital being sold through POS and its percentage in the total capital
- Authorized agency for privatization

The Invitation will contain the following information on agencies for privatization and subscription process that will be entered into information system prior to printing the Public Invitation:

- Address
- Telephone
- Account for cash payments
- Information on subscription (subscription period and work hours of the ZPP/ZAP sub-branches, information on subscription orders—where to obtain them, how to complete them, fees, method of calculating results)

**Steps**

- 1 Prior to the announcement of the Public Invitation, the CPA shall receive from the FPA a draft Public Invitation for review. The CPA responsible person shall review information on enterprises under the CPA authority and information on the CPA included in the Public Invitation for POS, in order to establish whether
  - all enterprises under the CPA authority designated for sale in POS are included in the Public Invitation,
  - information on the enterprises is accurate,
  - address, telephone number and CPA account number are correct,
- 2 If the FPA does not receive written request for correction by the specified deadline, it will be considered that the indicated information is accurate.

- 3 In case of detecting errors, the responsible person at the CPA shall prepare a letter explaining the errors, and providing accurate information to be included in the Public Invitation. The letter, verified and signed, will be delivered at the earliest convenience to the responsible person at the FPA.
- 4 Each CPA will receive from the FPA the Public Invitation for POS of identical contents.

**Output**

Draft Public Invitation for POS reviewed

Corrections of the draft requested or contents of the draft confirmed

Final version of the Public Invitation received from the FPA

<b>Process</b>	<b>2 3</b>	<b><i>Implementation of the first round of POS</i></b>
<b>Procedure</b>	<b>2 3 1</b>	<b><i>Publish Public Invitation for the first round of POS</i></b>

**Input**

Public Invitation for POS prepared,  
Regulations on procedure for sale of assets and shares or capital units in enterprises

**Procedure Description**

Each CPA is obliged to publish the received Public Invitation in one of the media available in its respective canton

**Steps**

- 1 Each CPA will choose, in a timely manner, one of the media available in its respective canton in which to publish the Public Invitation for POS  
(Note Given the fact that considerable costs are associated with the publishing of the Public Invitation in daily papers and that the identical Public Invitation is published at the same time in the whole territory of F BiH, the authorized agencies may coordinate to publish the Public Invitation jointly in the same media In such event the responsible persons in the agencies will ensure that all agencies that participate in the publishing are indicated in the given Public Invitation)
- 2 The Invitation shall be published in all cantons at the same time The CPA responsible person shall contact FPA to ensure that the Public Invitation for POS be published in all cantons at the same time
- 3 Each CPA shall deliver the Public Invitation to the chosen media in a timely manner The date of publishing shall match the date set by the FPA

**Output**

Public Invitation for the first round of POS published

<b>Process</b>	<b>2 3</b>	<b><i>Implementation of the first round of POS</i></b>
<b>Procedure</b>	<b>2 3 2</b>	<b><i>Monitor the share subscription process</i></b>

**Input**

Daily ZPP/ZAP reports delivered

**Procedure Description**

The responsibility of the ZPP/ZAP is to prepare and submit daily reports on subscription during the subscription period. The daily reports shall be delivered to the agencies on the electronic media. As the ZPP/ZAP is connected electronically to the FPA, and the FPA to CPAs, the ZPP/ZAP shall, on a daily basis, forward the reports electronically to the FPA. The FPA responsible staff shall immediately forward the reports received to the CPAs electronically.

Daily report consists of two parts:

- a) amount of subscribed claims and cash paid in POS in Cantons and the F BiH for that day
- b) amount of subscribed claims and cash paid in POS in Cantons and the F BiH for the subscription period elapsed

**Steps**

- 1 Upon receiving daily reports on subscription from the FPA, the CPA person in charge of analyzing daily reports on subscription shall compare the amount of subscribed claims in the respective canton with the total amount of unused claims in that canton. Additionally, the amount of claims used in that canton may be compared with the amount of claims used in other cantons.
- 2 If the result of this analysis reveals that the subscription rate is lower than expected, the responsible persons at the CPA may decide to reinforce the public education campaign in order to encourage a broader participation of buyers in the POS.
- 3 If the result of the analysis reveals that the subscription exceeds the rate expected, the CPA may request from the FPA to suggest to the ZPP/ZAP that the sub-branches extend their work hours.

**Output**

Daily reports received

Daily reports reviewed

Appropriate decisions concerning public education and work hours of the ZPP/ZAP sub-branches made

<b>Process</b>	<b>2 3</b>	<b><i>Implementation of the first round of POS</i></b>
<b>Procedure</b>	<b>2 3 3</b>	<b><i>Support the ZPP/ZAP</i></b>

**Input**

Request from the FPA for offering support to the ZPP/ZAP sub-branches

**Procedure Description**

During the subscription period in POS, there might be a need that the CPA staff offer support to the staff at the ZPP/ZAP sub-branches in order to enhance efficiency and quality of service provided to the subscribers. The support will be provided by the responsible CPA staff to the ZPP/ZAP based on the FPA request.

**Steps**

- 1 The FPA may request from the CPAs to provide assistance to the ZPP/ZAP sub-branches during the subscription period. Prior to the beginning of the POS, the Director of each CPA shall designate CPA staff for training in how to provide assistance to the subscribers during subscription together with the ZPP/ZAP staff designated for providing service to the subscribers.
- 2 The CPA staff trained for providing assistance to the subscribers will provide assistance in filling out all required forms and submitting those forms to the ZPP/ZAP tellers. It is important to stress that the ZPP/ZAP and CPA representatives when providing assistance to the subscribers **must not** give to the subscribers any recommendations concerning the selection of enterprises.
- 3 Upon receiving the FPA request for providing assistance to the ZPP/ZAP, the CPA Director shall assign the trained staff of the CPA to the ZPP/ZAP sub-branches that have requested assistance.

**Output**

Assistance to the ZPP/ZAP sub-branches provided

<b>Process</b>	<b>2 3</b>	<b><i>Implementation of the first round of POS</i></b>
<b>Procedure</b>	<b>2 3 4</b>	<b><i>Determine the results of the first round of POS</i></b>

**Input**

Regulations on Procedures for Sale of Assets and Shares, or Holdings in an enterprise  
 Consolidated data on subscription  
 Request from FPA for providing names of CPA representatives who will calculate results

**Procedure Description**

Once the subscription period has been completed and the data subscription consolidated the representatives of the CPAs and the FPA shall meet and proceed with determining the results of the first round of POS. The consolidated data shall be made available to the agencies within five days following the subscription period completion. All agencies calculate the results of the POS at the same time by using the unique information system, that is by using the same equipment and computer program.

**Steps**

- 1 Each CPA will be requested by the FPA to appoint its representative for calculation of the POS results
- 2 Director of each CPA will appoint one CPA clerk at least 7 days before the end of the subscription period
- 3 The CPA responsible person will provide the name of its representative to the FPA. Upon receiving the invitation from the FPA, specifying time and the place where the calculation of results would take place, the representative of each CPA will join other representatives of the agencies in calculating the POS results
- 4 In case a CPA fails to appoint its representative, the FPA representative will represent that CPA
- 5 After the completion of subscription and consolidation of data, the agencies' representatives will take over the consolidated data from the ZPP/ZAP
- 6 By using the POS module, the authorized agencies shall calculate the amount of subscription for each enterprise and then the ratio between the subscription and the offered capital, that is the successfulness of subscription. This procedure will be possible only after the appropriate code has been entered ("password"). When the agencies' representatives meet, the IT service representatives will hand over a closed envelope containing the code to the database administrator who will enter the code in the computer
- 7 The database administrator shall create the List of subscription results for enterprises for each authorized agency. The lists will contain the following information:
  - name and JMB of the enterprise
  - amount of subscription
  - amount of offered capital
  - ration between the subscription accomplished and the capital offered
  - indicator for successfully offered enterprises in the column "Successful POS"
  - indicator for unsuccessfully offered enterprises in the column "Unsuccessful POS"

- The creation of the List of results implies that the system will calculate the total subscription for each enterprise, calculate the ratio between the subscription and offered capital for each enterprise and on the basis of that ratio enter the mark of a successful or unsuccessful POS. All enterprises that have the ratio of subscription/offered capital ranging from 0.8 to 1.2 (80%-120%) the system will mark as successfully sold in the first round of POS. For all other enterprises the system will enter the indicator in the column "Unsuccessful POS"
- 8 After generating the Lists of results, the representative of each authorized agency will sign the Lists of results for enterprises under his authority. Thereby all representatives will confirm their participation in the calculation of results as well as the credibility of the results. Model of the List is given in Annex 6
  - 9 Each CPA will receive, through its representative, the Lists of successfully and the Lists of unsuccessfully offered enterprises under its authority and forward them to its Supervisory Board for verification of the subscription results
  - 10 Once the Lists have been created, each CPA shall send a written request to the ZPP/ZAP to finalize payments or return the payments for the enterprises under its authority. The order to the ZPP/ZAP implies the request that the cash paid for enterprises with successful POS be transferred from the CPA temporary account to the CPA cash account, and all claims be transferred to the Cumulative Claims Account. According to this order, the ZPP/ZAP will transfer cash payments from the temporary to the cumulative cash account of the CPA, and claims will be restored at the UCAs of subscribers. Along with the request for transfer, the CPA will deliver to the ZPP/ZAP all Lists of successfully and unsuccessfully offered enterprises from their area of authority
  - 11 Database administrator will create the List of subscribers for each authorized agency to whom the subscribed cash needs to be returned. The List, made for each of the authorized agencies separately, will cover all subscribers who subscribed cash for enterprises with unsuccessful POS. This List will contain following data
    - First and last name/title of the subscriber
    - Address of the subscriber
    - Name and JMB of enterprise for which the shares were subscribed
    - Amount of the cash subscription
 Each of the agencies will receive the List of subscribers on electronic media which will serve as the starting point for returning all cash subscriptions to enterprises with unsuccessful POS. Model of the List is given in Annex 7
  - 12 Each CPA shall receive electronically from the FPA the updated information on enterprises under its authority according to the results of sale in the first round
  - 13 Enterprise Registers in CPAs will be updated automatically. FPA will deliver to each of the authorized agencies the updated database, which contains the results of sale through POS for each enterprise within the authority of that agency

The Model of the List of results is given in Annex 8

#### **Output**

A person appointed by each CPA for participation in the calculation of POS results  
 POS results determined for each enterprise  
 Lists of successfully and unsuccessfully offered enterprises created  
 Request for finalizing payments for the enterprises under the CPA authority submitted to the ZPP/ZAP  
 Electronic data for updating the Register of Enterprises under the CPA authority received  
 Register of Enterprises under the authority of CPA updated

<b>Process</b>	<b>2 3</b>	<b><i>Implementation of the first round of POS</i></b>
<b>Procedure</b>	<b>2 3 5</b>	<b><i>Calculate results for buyers in the first round of POS</i></b>

**Input**

Updated Joint Register of Enterprises for POS  
Consolidated Subscription Data

**Procedure Description**

*Note Calculation of results for buyers in the First round of POS immediately follows the procedure 2 3 4 (Determine results of the first round)*

Upon identifying enterprises successfully subscribed for, the agencies will calculate ownership each subscriber of shares acquired in such enterprises

**Steps**

- 1 For each enterprise with successful POS the agency representatives will, using the POS information system module, sort all subscriptions according to the subscriber JMB Multiple subscriptions under the same JMB for an enterprise will be added up to obtain the aggregate amount subscribed by one subscriber
- 2 Based on the individual subscription data on every subscriber in an enterprise and the amount of the offered and total capital for that enterprise, the authorized staff from the authorized agency will calculate the amount and percentage of ownership in the total capital of the enterprise for each subscriber

The elements required for determining the results are

- Amount of enterprise total capital (TC)
- Amount of enterprise offered capital (OC)
- Total subscriptions of shares for an enterprise (TS)
- Individual subscriptions per subscriber (IS)
- Subscriptions to offered capital ratio ( $R=TS/OC$ )

- 3 The calculation shall follow the order as specified below
  - a) Calculation of the amount of capital acquired by an individual subscriber IC  
 $IC = IS / R$
  - b) Percentage of enterprise offered capital acquired by an individual subscriber  
 $IC / OC \times 100$
  - c) Percentage of the total capital in an enterprise acquired by an individual subscriber

$$IC / TC \times 100$$

The algorithm for calculating these values must specify the number of decimal places for the obtained values in order to accurately determine the amount and percentage of the capital subscribed by each subscriber in an enterprise

**Output**

All subscription for enterprises with successful POS sorted by subscribers' JMBs

The total amount subscribed per subscriber determined for each enterprise

POS results determined for each subscriber individually

<i>Process</i>	<i>2 3</i>	<i>Implementation of the first round of POS</i>
<i>Procedure</i>	<i>2 3 6</i>	<i>Create Lists of new shareholders after first round of POS</i>

**Input**

Calculated results of POS for subscribers

**Procedure Description**

All authorized agencies are required to create Lists of new shareholders for enterprises under their authority

**Steps**

- 1 Based on the results obtained, the system will generate Lists of new shareholders for each of the authorized agencies
- 2 A representative of each agency will sign created Lists of new shareholders and furnish them to the person in charge in his agency. The model of the List of new shareholders is given in Annex 9
- 3 The person in charge in CPA will mail received Lists of new shareholders along with the Decree on privatization not later than 30 days following the calculation of the results for buyers

**Output**

Prepared Lists of new shareholders for enterprises under CPA authority

Lists of new shareholders prepared for distribution to enterprises under CPA authority

**Process**      2 3                      **Implementation of the first round of POS**

**Procedure**    2 3 7                      **Issue Decree on completed privatization for enterprises under CAP Authority**

**Input**

Register of enterprises under CPA authority

List of successfully offered enterprises under CPA authority

**Procedure Description**

Each CPA will issue a Decree on privatization to each enterprise with successful POS under its respective authority. The Decree will be used for all changes required in the legal status of the enterprise and registration.

**Steps**

- 1 After determining the results of POS, CPA shall prepare the Decree on completed privatization and furnish it along with the List of new shareholders to all enterprises successfully sold in the first round of POS.
- 2 A person in charge from CPA will complete the Decree, in the format provided, by entering all required information (name and JMB of the enterprise, implemented method of sale, amount of sold capital). For the format and contents of the Decree is given in Annex 10.
- 3 After all Decrees on privatization are prepared, a responsible person in CPA will sign and stamp them.
- 4 Responsible persons from CPA will mail the Decrees to enterprises under the authority of CPA along with the List of shareholders not later than 30 days following the calculation of POS results for buyers.

**Output**

Created Decrees on completed privatization

Decrees on completed privatization along with Lists of new shareholders mailed to enterprises

<i>Process</i>	<i>2 3</i>	<i>Implementation of the first round of POS</i>
<i>Procedure</i>	<i>2 3 8</i>	<i>Announce results of the first round of POS</i>

**Input**

Received the draft of Announcement of the POS results from the FPA

**Procedure Description**

Agencies for privatization, following the principles of transparency and timely information of the public, shall announce the results of POS. Such announcement shall be made within 5 days after calculating the results of POS.

A responsible person from FPA will prepare the draft of the Announcement which will contain the following information:

- Brief explanation of evaluation criteria
- List of successfully offered enterprises with
  - JMB and the name of the enterprise
  - Amount of offered capital
  - Total capital subscribed
  - Subscriptions/offered capital ratio
- List of unsuccessfully offered enterprises with
  - JMB and the name of the enterprise
  - Amount of offered capital
  - Total subscription amount
  - Subscription/offered capital ratio

Enterprises stated in the announcement will be organized by authorized agencies.

**Steps**

1. Upon the receipt of the Announcement of results a person in charge in CPA will check for accuracy the information supplied for enterprises under its authority. The accuracy of information will be checked by comparing the List of successfully offered enterprises and the List of those offered unsuccessfully with the draft Announcement. Should errors be spotted, a responsible person from CPA will promptly approach FPA requesting in writing necessary corrections. The responsible person from FPA will make required corrections before furnishing the final version to all CPAs for publication.
2. The responsible person from CPA will ensure that the subscription results are published in the media identical to that in which a Public Invitation was published.
3. The responsible person from CPA shall coordinate activities with the FPA representative in order to announce the results of POS in all cantons simultaneously.

(Note as was the case with the Public Invitation, the agencies may coordinate activities and jointly publish the results in the same daily newspapers in order to reduce announcement costs)

**Output**

Draft Announcement reviewed

Results of POS announced

<b>Process</b>	<b>2 3</b>	<b><i>Implementation of the first round of POS</i></b>
<b>Procedure</b>	<b>2 3 9</b>	<b><i>Return the subscribed cash to subscribers of the unsuccessfully offered enterprises through POS</i></b>

**Input**

ZPP's report on transfer of the subscribed cash, during the subscription period, from the temporary to the cumulative cash account of the CPA

List of unsuccessfully offered enterprises under the authority of the CPA

List of subscribers to whom the subscribed cash must be returned for unsuccessfully offered enterprises under the authority of CPA

**Procedure Description**

Each CPA will return the cash subscribed to all subscribers of unsuccessfully offered enterprises, within authority of the FPA, via postal orders

**Steps**

- 1 Upon receipt of the ZPP's report on completed transaction, of the subscribed cash to the cash account of the CPA, the responsible person at the CPA will acquire the postal orders which will be used for the return of the cash to subscribers
- 2 In preparing the postal orders, the responsible person will use the information contained in the List of subscribers to whom the cash subscriptions, for the unsuccessfully offered enterprises within the authority of that particular CPA, must be returned
- 3 Properly prepared postal orders will be forwarded to PTT offices for the final delivery to the subscribers

**Output**

Prepared postal orders

Postal orders delivered to subscribers via PTT

<b>Process</b>	<b>2 4</b>	<b><i>Preparation of the second round of POS</i></b>
<b>Procedure</b>	<b>2 4 1</b>	<b><i>Participate in the preparation of the Joint Register of Enterprises for the second round</i></b>

**Input**

Updated Enterprise Register under the CPA authority

FPA request for delivering file-transfer with updated information on enterprises under the CPA authority

**Procedure Description**

In the process of preparing the second round of POS, the FPA together with CPAs create the Joint Register of Enterprises for POS. The Joint Register of Enterprises for POS is created electronically from the Central Enterprise Register. The precondition for creating the Joint Register of Enterprises for POS is that the information on all enterprises at the Central Enterprise Register is updated based on the data provided from the CPAs and the FPA.

The Joint Register of Enterprises for POS will contain the following information

- name of enterprise
- enterprise JMB
- enterprise court registration number
- business activity code
- location
- enterprise total capital
- amount of private capital and percentage of private capital in the total capital
- amount of state/social capital and percentage of state/social ownership in the total capital
- amount of state/social capital being sold in public offering of shares and percentage of that capital in the total capital of the enterprise
- ratio of the subscribed amount to offered capital from the first round of POS

**Steps**

- 1 After creating the Joint Register of Enterprises for the second round of POS, the responsible person at the FPA shall print out the lists of enterprises included in the Joint Register of Enterprises for the second round of POS. The lists created shall be delivered to each authorized agency along with a communication indicating that it is the responsibility of each agency to confirm in writing the accuracy of data on the enterprises under its authority by the date indicated.
- 2 Should errors be detected, the CPA is obliged to perform new file-transfer with corrected data by the deadline indicated in the FPA communication.
- 3 If the responsible person at the CPA does not detect any errors in the data on the list, he/she will confirm the accuracy of the data in writing by the deadline indicated in the FPA communication.

- 4 Once all agencies confirm the accuracy of data, neither any CPA nor the FPA department for POS shall be able to make changes in the data on their enterprises in the Central Enterprise Register

**Output**

Control lists received from the FPA

New file-transfer with updated data performed, if required due to errors

<b>Process</b>	<b>2 4</b>	<b>Preparation of the second round of POS</b>
<b>Procedure</b>	<b>2 4 2</b>	<b>Prepare Public Invitation for the second round of POS</b>

**Input**

Public Invitation received from the FPA

**Procedure Description**

The FPA responsible person shall draft Public Invitation for POS to be submitted to CPAs for review. The CPA responsible person shall review the section of the Public Invitation referring to enterprises under the authority of the respective CPA as well as the data referring to the agency. Should any errors be detected, the CPA responsible person shall promptly request corrections from the responsible person at the FPA and provide accurate information to be included in the Public Invitation for POS.

Public Invitation for POS comprises the following information on enterprises:

- Name, registration number, code and name of activity and location
- Total amount of capital
- Amount and percentage of total capital owned by private shareholders
- Amount and percentage of state/social capital in the total capital
- Amount of state/social capital being sold through POS and its percentage in the total capital
- Ratio between Subscription/offered capital from the first round of POS
- Authorized agency for privatization

The Invitation will contain the following information on agencies for privatization and subscription process that will be entered into information system prior to printing the Public Invitation:

- Address
- Telephone
- Account for cash payments
- Information on subscription (subscription period and work hours of the ZPP/ZAP sub-branches, information on subscription orders—where to obtain them, how to complete them, fees, method of calculating results)

**Steps**

- 1 Prior to announcement of the Public Invitation for the second round, the CPA shall receive from the FPA a draft Public Invitation for review. The CPA responsible person shall review information on enterprises under the CPA authority and information on the CPA included in the Public Invitation for POS, in order to establish whether
  - all enterprises under the CPA authority designated for sale in POS are included in the Public Invitation,
  - information on the enterprises is accurate,

- address, telephone number and CPA account number are correct,
- 2 If the FPA does not receive written request for correction by the specified deadline, it will be considered that the indicated information is accurate
  - 3 In case of detecting errors, the responsible person at the CPA shall prepare a letter explaining the errors, and providing accurate information to be included in the Public Invitation. The letter, verified and signed, will be delivered at the earliest convenience to the responsible person at the FPA.
  - 4 Each CPA will receive from the FPA the Public Invitation for POS of identical contents

**Output**

Draft Public Invitation for POS reviewed

Corrections of the draft requested or contents of the draft confirmed

Final version of the Public Invitation received from the FPA

<b>Process</b>	<b>2 5</b>	<b><i>Implementation of the second round of POS</i></b>
<b>Procedure</b>	<b>2 5 1</b>	<b><i>Publish Public Invitation for the second round of POS</i></b>

**Input**

Public Invitation for POS prepared,  
Regulations on procedure for sale of assets and shares or equity units of enterprises

**Procedure Description**

Each CPA is obliged to publish the received Public Invitation in one of the media available in its respective canton

**Steps**

- 1 Each CPA will choose, in a timely manner, one of the media available in its respective canton in which to publish the Public Invitation for POS  
(Note Given the fact that considerable costs are associated with the publishing of the Public Invitation in daily papers and that the identical Public Invitation is published at the same time in the whole territory of F BiH, the authorized agencies may coordinate to publish the Public Invitation jointly in the same media In such event the responsible persons in the agencies will ensure that all agencies that participate in the publishing are indicated in the given Public Invitation)
- 2 The Invitation shall be published in all cantons at the same time The CPA responsible person shall contact FPA to ensure that the Public Invitation for POS be published in all cantons at the same time
- 3 Each CPA shall deliver the Public Invitation to the chosen media in a timely manner The date of publishing shall match the date set by the FPA

**Output**

Public Invitation for the second round of POS published

<b>Process</b>	<b>2 5</b>	<b><i>Implementation of the second round of POS</i></b>
<b>Procedure</b>	<b>2 5 2</b>	<b><i>Monitor the process of subscription of shares in the second round of POS</i></b>

**Input**

Daily ZPP/ZAP reports delivered

**Procedure Description**

The responsibility of the ZPP/ZAP is to prepare and submit daily reports on subscription during the subscription period. The daily reports shall be delivered to the agencies on the electronic media. As the ZPP/ZAP is connected electronically to the FPA, and the FPA to CPAs, the ZPP/ZAP shall, on a daily basis, forward the reports electronically to the FPA. The FPA responsible staff shall immediately forward the reports received to the CPAs electronically.

Daily report consists of two parts

- a) amount of subscribed claims and cash paid in POS in cantons and the F BiH for that day
- b) amount of subscribed claims and cash paid in POS in cantons and the F BiH for the subscription period elapsed

**Steps**

- 1 Upon receiving daily reports on subscription from the FPA, the CPA person in charge of analyzing daily reports on subscription shall compare the amount of subscribed claims in the respective canton with the total amount of unused claims in that canton. Additionally, the amount of claims used in that canton may be compared with the amount of claims used in other cantons.
- 2 If the result of this analysis reveals that the subscription rate is lower than expected, the responsible persons at the CPA may decide to reinforce the public education campaign in order to encourage a broader participation of buyers in the POS.
- 3 If the result of the analysis reveals that the subscription exceeds the rate expected, the CPA may request from the FPA to suggest to the ZPP/ZAP that the sub-branches extend their work hours.

**Output**

Daily reports received

Daily reports reviewed

Appropriate decisions concerning public education and work hours of the ZPP/ZAP sub-branches reached

**Process**      2 5                      **Implementation of the second round of POS**

**Procedure**    2 5 3                      **Support the ZPP/ZAP**

**Input**

Request from the FPA for offering support to the ZPP/ZAP sub-branches

**Procedure of Description**

During the subscription period in POS, there might be a need that the CPA staff offer support to the staff at the ZPP/ZAP sub-branches in order to enhance efficiency and quality of service provided to the subscribers. The support will be provided by the responsible CPA staff to the ZPP/ZAP based on the FPA request.

**Steps**

- 1 The FPA may request from the CPAs to provide assistance to the ZPP/ZAP sub-branches during the subscription period. Prior to the beginning of the POS, the Director of each CPA shall designate CPA staff for training in how to provide assistance to the subscribers during subscription together with the ZPP/ZAP staff designated for providing service to the subscribers.
- 2 The CPA staff trained for providing assistance to the subscribers will provide assistance in filling out all required forms and submitting those forms to the ZPP/ZAP tellers. It is important to stress that the ZPP/ZAP and CPA representatives when providing assistance to the subscribers **must not** give to the subscribers any recommendations concerning the selection of enterprises.
- 3 Upon receiving the FPA request for providing assistance to the ZPP/ZAP, the CPA Director shall assign the trained staff of the CPA to the ZPP/ZAP sub-branches that have requested assistance.

**Output**

Assistance to the ZPP/ZAP sub-branches provided

<b>Process</b>	<b>2 5</b>	<b><i>Implementation of the second round of POS</i></b>
<b>Procedure</b>	<b>2 5 4</b>	<b><i>Calculate the results of the second round of POS</i></b>

**Input**

Regulations on Procedures for Sale of Assets and Shares, or Holdings in an Enterprise  
 Consolidated data on subscription  
 Request from FPA for providing names of CPA clerks who will calculate results

**Procedure Description**

Once the subscription period has been completed and the data consolidated the representatives of the CPAs and the FPA shall meet and proceed with determining the results of the second round of POS. The consolidated data shall be made available to the agencies within five days following the subscription period completion. All agencies calculate the results of the POS at the same time by using the unique information system, that is by using the same equipment and computer program.

**Steps**

- 1 Each CPA will be requested by the FPA to appoint its representative for calculation of the POS results
- 2 Director of each CPA will appoint one CPA clerk at least 7 days before the end of the subscription period
- 3 The CPA responsible person will provide the name of its representative to the FPA. Upon receiving the invitation from the FPA, specifying time and the place where the calculation of results would take place, the representative of each CPA will join other representatives of the agencies in calculating the POS results
- 4 In case a CPA fails to appoint its representative, the FPA representative will represent that CPA
- 5 After the completion of subscription and consolidation of data, the agencies' representatives will take over the consolidated data from the ZPP/ZAP
- 6 By using the POS module, the authorized agencies shall calculate the amount of subscription for each enterprise and then the ratio between the subscription and the offered capital, that is the successfulness of subscription. This procedure will be possible only after the appropriate code has been entered ("password"). When the agencies' representatives meet, the IT service representatives will hand over a closed envelope containing the code to the database administrator who will enter the code in the computer
- 7 The database administrator shall create the List of subscription results for enterprises for each authorized agency. The lists will contain the following information:
  - name and JMB of the enterprise
  - amount of subscription

- amount of offered capital
  - ratio between the subscription accomplished and the capital offered
  - indicator for successfully offered enterprises in the column "Successful POS"
  - indicator for unsuccessfully offered enterprises in the column "Unsuccessful POS"
- 8 Creation of Lists of results implies that the system will calculate the total subscription for every enterprise and calculate the ratio of subscribed to offered capital for each enterprise. The system will for all those enterprises which have the subscription ratio higher than 0, enter the indicator "Successful POS". For all other enterprises for which the subscription equals 0, the system will enter the indicator in the column "Unsuccessful POS"
  - 9 After generating the Lists of results, the representative of each authorized agency will sign the Lists of results for enterprises under his authority. Thereby all representatives will confirm their participation in the calculation of results as well as the credibility of the results.
  - 10 Each CPA will receive the Lists of successfully and the Lists of unsuccessfully offered enterprises under its authority and forward them to its Management Board for verification of the subscription results.
  - 11 Once the Lists have been created, each CPA shall send a written request to the ZPP/ZAP to finalize payments or return the payments for the enterprises under its authority. The order to the ZPP/ZAP implies the request that the cash paid for enterprises with successful POS be transferred from the CPA temporary account to the CPA cash account, and all claims be transferred to the Cumulative Claims Account. Along with the request for transfer of funds, the CPA shall forward to the ZPP/ZAP the List of successfully and the List of unsuccessfully offered enterprises under its authority.
  - 12 Each CPA shall receive electronically from the FPA the updated information on enterprises under its authority according to the results of sale in the first round.
  - 13 It is the responsibility of each CPA to update the information on enterprises in the Enterprise Register under its authority, based on the data provided electronically, in order to have all relevant changes resulting from the changes through POS reflected at the level of the authorized agency.

**Output**

A person appointed by each CPA for participation in the calculation of POS results

POS results determined for each enterprise

Lists of successfully and unsuccessfully offered enterprises created

Request for finalizing payments for the enterprises under the CPA authority submitted to the ZPP/ZAP

Electronic data for updating the Enterprise Register under the CPA authority received

CPA Enterprise Register updated

<b>Process</b>	<b>2 5</b>	<b>Implementation of the second round of POS</b>
<b>Procedure</b>	<b>2 5 5</b>	<b>Calculate results for buyers in the second round of POS</b>

**Input**

Updated Joint Register of Enterprises for POS  
Consolidated Subscription Data

**Procedure Description**

*Note* Calculation of results for buyers in the second round of POS immediately follows the procedure 2 5 4 (Determine results of the second round)

Upon identifying enterprises successfully subscribed for, the agencies will calculate ownership each subscriber of shares acquired in such enterprises

**Steps**

- 1 For each enterprise with successful POS the agency representatives will, using the POS information system module, sort all subscriptions according to the subscriber JMB. Multiple subscriptions under the same JMB for an enterprise will be added up to obtain the aggregate amount subscribed by one subscriber
- 2 Based on the individual subscription data on every subscriber in an enterprise and the amount of the offered and total capital for such, the authorized staff from the authorized agency will calculate the amount and percentage of ownership in the total capital of the enterprise for each subscriber

The elements required for determining the results are

- Amount of enterprise total capital (TC)
- Amount of enterprise offered capital (OC)
- Total subscriptions of shares in an enterprise (TS)
- Individual subscriptions per subscriber (IS)
- Subscriptions to offered capital ratio ( $R=TS/OC$ )

- 3 The calculation shall follow the order as specified below
  - d) Calculation of the amount of capital acquired by an individual subscriber IC  
 $IC = IS / R$
  - e) Percentage of enterprise offered capital acquired by an individual subscriber  
 $IC / OC \times 100$
  - f) Percentage of the total capital in an enterprise acquired by an individual subscriber

IC / TC x 100

The algorithm for calculating these values must specify the number of decimal places for the obtained values in order to accurately determine the amount and percentage of the capital subscribed by each subscriber in an enterprise

**Output**

All subscription for enterprises with successful POS arranged by subscribers' JMBs  
The total amount subscribed per subscriber determined for each enterprise  
POS results determined for each subscriber individually

<i>Process</i>	<i>2 5</i>	<i>Implementation of the second round of POS</i>
<i>Procedure</i>	<i>2 5 6</i>	<i>Create Lists of new shareholders after second round of POS</i>

**Input**

Calculate results of POS for subscribers

**Procedure Description**

All authorized agencies shall be required to create Lists of new shareholders for enterprises under their authority

**Steps**

- 1 Based on the results obtained, the system will generate Lists of new shareholders for each of the authorized agencies
- 2 A representative of each agency will sign created Lists and furnish them to the person in charge in his agency
- 3 The person in charge in CPA will mail received Lists of new shareholders along with the Decree on privatization not later than 30 days following the calculation of the results for buyers

**Output**

Prepared Lists of new shareholders for enterprises under CPA authority  
Lists of new shareholders prepared for distribution to enterprises under CPA authority

<b>Process</b>	<b>2 5</b>	<b><i>Implementation of the second round of POS</i></b>
<b>Procedure</b>	<b>2 5 7</b>	<b><i>Issue Decrees on privatization for enterprises under CPA authority</i></b>

**Input**

Register of enterprises under CPA authority  
List of successfully offered enterprises under CPA authority

**Procedure Description**

Each CPA will issue a Decree on privatization to each enterprise under its respective authority with successful POS. The Decree will be used for all changes required in the legal status of the enterprise and registration.

**Steps**

- 1 After determining the results of POS, CPA shall prepare the Decree on completed privatization and furnish it along with the List of new shareholders to all enterprises successfully sold in the second round of POS.
- 2 A person in charge from CPA will complete the Decree, in the format provided, by entering all required information (name and JMB of the enterprise, methods of sale employed, amount of sold capital). For the format and contents of the Decree see Annex 8 to the POS Manual.
- 3 After all Decrees on privatization are prepared, a responsible person in CPA will sign and stamp them.
- 4 Responsible persons from CPA will mail the Decrees to enterprises under the authority of CPA along with the List of shareholders not later than 30 days following the calculation of POS results for subscribers.

**Output**

Created Decrees on privatization  
Decrees on privatization along with Lists of new shareholders mailed to enterprises

<b>Process</b>	<b>2 5</b>	<b><i>Implementation of the second round of POS</i></b>
<b>Procedure</b>	<b>2 5 8</b>	<b><i>Announce the results of the second round of POS</i></b>

**Input**

FPA delivered the draft of Announcement of the POS Results

**Procedure Description**

Agencies for privatization, following the principles of transparency and timely information of the public, shall announce the results of POS. Such announcement shall be made within 5 days after calculating the results of POS.

A responsible person from FPA will prepare the draft of the Announcement which will contain the following information:

- Brief explanation of evaluation criteria
- List of successfully offered enterprises with
  - JMB and the name of the enterprise
  - Amount of offered capital
  - Total capital subscribed
  - Subscriptions/offered capital ratio
- List of unsuccessfully offered enterprises with
  - JMB and the name of the enterprise
  - Amount of offered capital

Enterprises stated in the announcement will be organized by authorized agencies.

**Steps**

- 1 Upon the receipt of the Announcement of results a person in charge in CPA will check for accuracy the information supplied for enterprises under its authority. The accuracy of information will be checked by comparing the List of successfully offered enterprises and the List of those offered unsuccessfully with the draft Announcement. Should errors be spotted, a responsible person from CPA will promptly approach FPA requesting in writing necessary corrections. The responsible person from FPA will make required corrections before furnishing the final version to all CPAs for publication.
- 2 The responsible person from CPA will ensure that the subscription results are published in the media identical to that in which a Public Invitation was published.
- 3 CPAs shall, following the FPA instructions, announce the results of POS in all cantons simultaneously.

(Note: as was the case with the Public Invitation, the agencies may coordinate activities and jointly publish the results in the same daily newspapers in order to reduce announcement costs.)

**Output**

Draft Announcement reviewed

Results of POS announced

**3 PAYMENT BUREAU**

### ***Role of Payment Bureau in the POS***

The Payment Bureau (*hereinafter the ZPP/ZAP*) is one of the participants in the process of implementation of the Public Offering of Shares (*hereinafter the POS*). Its role is reflected in the fact that it is a main service agency whose infrastructure will be used for performing all transactions of the POS for physical and legal entities participating in the process of the POS.

The ZPP/ZAP also has its role and responsibilities in the preparation phase of the POS. Main activities of the ZPP/ZAP in the preparation phase concern the consolidation and adoption of the instructions of the Agency for Privatization in the Federation of Bosnia and Herzegovina (*hereinafter the FPA*) on the responsibilities and activities of the ZPP/ZAP in the POS.

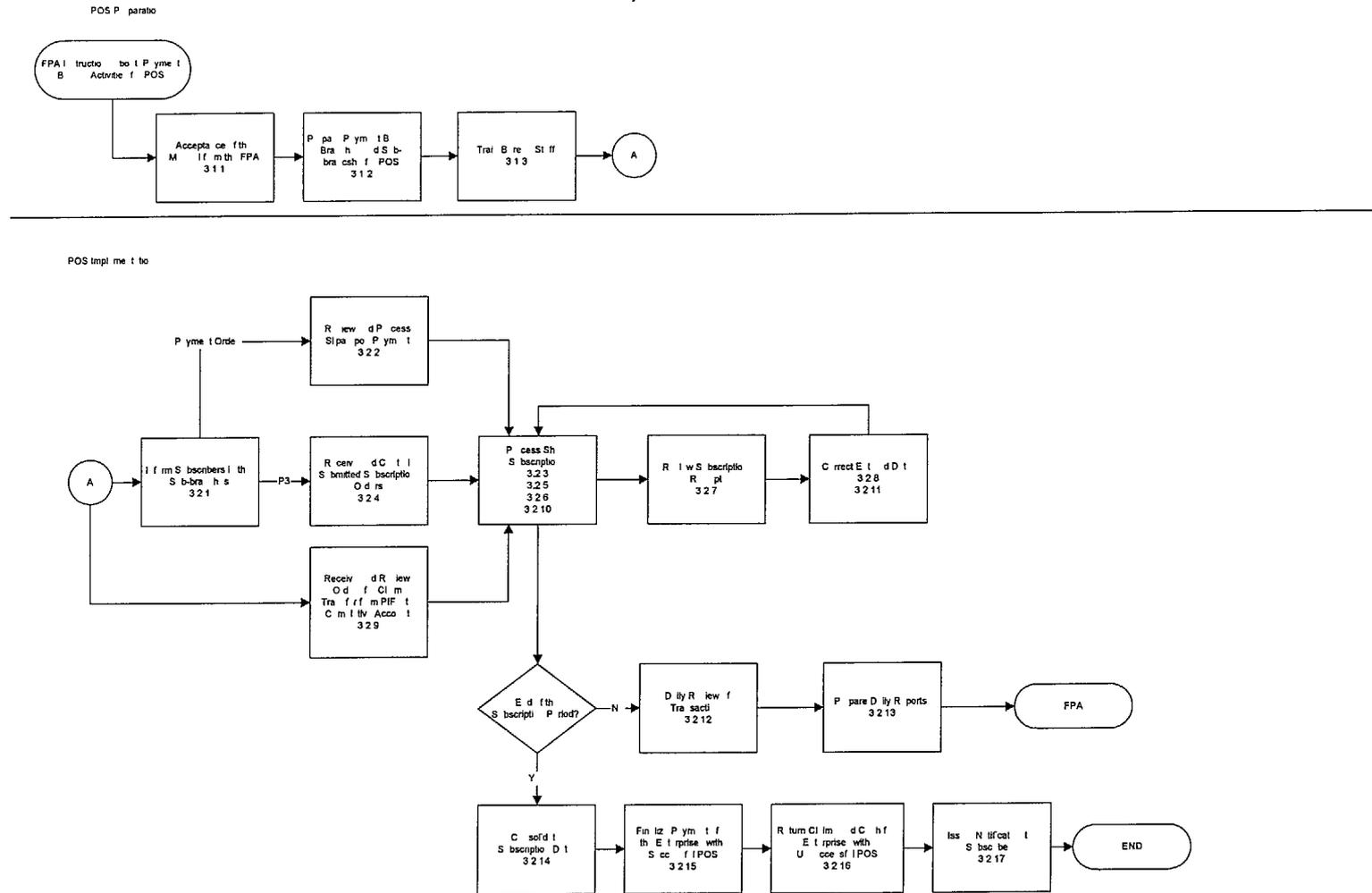
Based on those instructions, the ZPP/ZAP will in the preparation phase identify and have trained the personnel designated for performing the POS activities defined in the above mentioned instructions. Detailed description of these and other activities of the ZPP/ZAP are presented hereinafter, in the section of procedures, under Process 3.1 – *Preparation for the Public Offering of Shares*.

After the preparation process, the activities of the ZPP/ZAP as the agency through which the buyers (in the ZPP/ZAP sub-branches) and PIFs (in the ZPP/ZAP branches) will subscribe the shares are described in detail. These activities are described in Process 3.2 – *Implementation of the POS* and in pertaining procedures that give detailed descriptions of the activities of each official included in the POS process, from assisting the subscribers in completing the forms for subscription of shares, to processing the same, to consolidating the processed data and finalizing the payments.

Process 3.2 describes in detail also all responsibilities of the ZPP/ZAP and activities ensuing therefrom, related to the FPA and CPAs.

It should be noted that the activities defined in Process 3.2 refer both to the first and the second round of the public offering of shares, along with minor changes, as stated in Process 3.3.

Payment Bureau



<b>Process</b>	<b>3 1</b>	<b>Preparation for Public Offering of Shares</b>
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<b>Procedure</b>	<b>3 1 1</b>	<b>Adoption of the POS Procedures</b>
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### Input

Regulations on Procedures of Sale of Assets and Shares or Holdings in an Enterprise Manual for Public Offering of Shares in the Process of Privatization of Enterprises in the Federation of Bosnia and Herzegovina (*hereinafter the POS Manual*)  
 Procedures for Public Offering of Shares in the Process of Privatization in the Federation of Bosnia and Herzegovina (*hereinafter the POS Procedures*)

### Procedure Description

This procedure defines the responsibility of the ZPP/ZAP to adopt the FPA's Procedures for POS which define the ZPP/ZAP's activities in the POS. The Procedures refer to the activities of the ZPP/ZAP described in detail in this procedure (*Procedure 3 1 1*). The Procedures also refer to the responsibilities and activities of the FPA that should enable the ZPP/ZAP to perform its activities in an efficient manner.

### Steps

- 1 The ZPP/ZAP's activities concerning the following
  - identifying ZPP/ZAP tasks related to organizing and control of all activities on collecting and processing the subscriptions in the POS, as well as reporting and recording,
  - identifying and training the ZPP/ZAP personnel,
  - preparing the ZPP/ZAP facilities (needed space, forms, pencils, etc ),
  - processing subscription (data entry, buyer's verification, correction of errors),
  - maintaining data security,
  - adhering to disclosing procedures in the POS,
  - keeping records,
  - consolidating data,
  - finalizing payments,
  - determining appropriate working hours, etc
- 2 FPA's activities enabling the ZPP/ZAP to carry out its activities in the process of the POS
  - providing software for subscription processing, for reporting and for data consolidating,
  - providing material for ZPP/ZAP personnel training,
  - training of ZPP/ZAP personnel,
  - preparing all forms which are prescribed by Procedures,
  - providing Catalogue of Enterprises and Public Invitation for the POS,
  - submitting to the ZPP/ZAP the Lists of successfully and unsuccessfully offered enterprises,
  - any other assistance the FPA should provide to the ZPP/ZAP

### Outcome

POS Procedures, which define the ZPP/ZAP's activities, adopted by ZPP/ZAP

<b>Process</b>	<b>3 1</b>	<b>Preparation for POS</b>
<b>Procedure</b>	<b>3 1 2</b>	<b>Preparation of ZPP/ZAP Branches and Sub-branches for POS</b>

**Inputs**

POS Manual and POS Procedures  
Software submitted to the ZPP/ZAP by the FPA

**Steps**

The ZPP/ZAP must ensure that all its branches and sub-branches designated as the share subscription places be prepared for the POS before the start of the POS

- 1 The responsible person in the ZPP/ZAP will ensure that the FPA submits and installs software applications for the POS (*lists and the electronic file with codes of enterprises software application for share subscription orders processing*) to the ZPP/ZAP branches and sub-branches. The ZPP/ZAP is obliged to participate in the testing of software applications.
- 2 The responsible person in the ZPP/ZAP will ensure that the FPA through CPAs distributes to all ZPP/ZAP branches enough claim transfer order forms (P3) enough Catalogues of Enterprises offered for sale and one Public Invitation for the POS each (*the FPA should deliver the Catalogues of Enterprises in the POS and the Public Invitation to the ZPP/ZAP*). The branches will distribute the stated materials further to the sub-branches.
- 3 The responsible person in the ZPP/ZAP will ensure that all ZPP/ZAP branches and sub-branches have suitable space designated for the POS activities. The ZPP/ZAP premises will have places designated for filling out the order forms and windows for processing the share subscriptions orders that will service the expected number of subscribers. The places foreseen for filling out the forms will be furnished with the materials defined in Step 2, as well as with other expendible material necessary for carrying out subscription (pencils and the like).

**Outcome** ZPP/ZAP branches and sub-branches premises prepared for the POS

<b>Process</b>	<b>3 1</b>	<b>Preparation for POS</b>
<b>Procedure</b>	<b>3 1 3</b>	<b>Training of ZPP/ZAP Personnel for POS</b>

**Inputs**

POS Manual

POS Procedures

Software applications installed in the ZPP/ZAP branches and sub-branches

**Procedure Description**

According to provisions of the Instructions, the ZPP/ZAP will identify adequate number of its officials who will perform the defined activities. The identified officials will be assigned functions defined in the Instructions in accordance with their regular tasks.

The FPA is responsible for training the ZPP/ZAP tellers who will participate in the activities related to the POS.

The ZPP/ZAP and FPA are responsible for analyzing the training needs and for defining appropriate training for each function in the Central, branches and sub-branches of the ZPP/ZAP.

The ZPP/ZAP tellers are trained for the following activities:

- assisting subscribers in completing the forms,
- receiving and processing subscription forms,
- preparing the control list,
- controlling tellers' work,
- preparing daily reports,
- consolidating subscription data,
- finalizing payments in cash and in claims for successfully offered enterprises,
- returning payments in cash and in claims for unsuccessfully offered enterprises,
- ensuring safety of information,
- filing subscription documentation

The ZPP/ZAP is obliged to make possible for the employees to attend the training.

The training will be conducted based on the materials prepared by the FPA and delivered to the ZPP/ZAP Central. The ZPP/ZAP Central will distribute the delivered materials to all ZPP/ZAP branches and sub-branches.

**Steps**

1 The ZPP/ZAP Central will identify the functions and personnel required for conducting the POS activities, at all levels:

a) ZPP/ZAP Central

- coordinating and conducting all activities related to the POS,
- maintaining the POS software (*Data Base Administrator*),

b) ZPP/ZAP branches

- coordinating and supervising the operations and personnel
  - receiving and processing subscriptions (*Tellers*),
- c) ZPP/ZAP sub-branches
- ensuring efficiency of work of the tellers involved in the POS activities in the ZPP/ZAP sub-branches,
  - receiving and processing subscriptions (*Tellers*),
  - assisting subscribers (*Customer Service Representative*)
- 2 The FPA will in cooperation with the ZPP/ZAP prepare a training program specifying the time and duration of training as well as the topics to be covered by the training

**Outcome** The ZPP/ZAP personnel prepared to work on the POS

<b>Process</b>	<b>3 2</b>	<b><i>Implementing of the POS</i></b>
<b>Procedure</b>	<b>3 2 1</b>	<b><i>Informing the Subscribers in Sub-branches</i></b>

**Inputs**

POS Manual  
 POS Procedures  
 Instructions

**Procedure Description**

The trained ZPP/ZAP *personnel* will at the subscription windows, on subscribers' request, explain to them where to get information on enterprises (*where to get the Public Invitation and Catalogue of Enterprises offered in the POS*), on correct completing the forms (*share subscription in cash or in claims*), on method of verifying the entered information, on method of obtaining the information about the results of subscription and on the method of return of the funds in case of unsuccessful subscription. By providing this kind of assistance to subscribers, significant reduction of the time needed for individual subscriber to subscribe shares and smaller queues in front of the windows can be expected.

**Steps**

- 1 The ZPP/ZAP *Personnel* will first check with the subscriber which type of transaction he intends to carry out (*subscription of shares in claims or in cash*). In compliance with the expressed intention of the subscriber, the ZPP/ZAP teller will render information on the type of order he needs to complete as well as where he can get the needed order forms.
- 2 If the subscriber wants to subscribe new shares in claims, the ZPP/ZAP teller will inform him about the following, relative to completing the subscription order form (*P3 order*):
  - a) The subscriber must complete separate P3 form for each enterprise whose shares he is subscribing,
  - b) When completing the P3 form, the subscriber will enter the following information:
    - Place of the ZPP/ZAP sub-branch. The subscriber **will not** enter the number of the ZPP/ZAP sub-branch, this information will be entered by the ZPP/ZAP official when the order is submitted for processing,
    - First name, last name and address of the account holder, full title and domicile, if the subscriber is a legal person,
    - Number of account from which the claims are being transferred (*for local physical persons the number of account is same as the JMB of the account holder*),

- For each type of claims being transferred, the customer enters in the designated boxes the type and amount of claims he wants to transfer. The amounts of individual types of claims are entered in numbers in the length of up to 10 numbers. In front of the amount two parallel lines are entered (=), and decimal places are separated by a comma. At the end of the amount two zeros are written in. All numeric information in the form must be entered in Arabic numerals,
  - Name and seat of the authorized agency for privatization,
  - Unique identification number and name of the enterprise whose shares are being subscribed,
  - Signature and identification document number of the person who submits the order for transfer (*the proxy will sign and enter the number of his identification document not the name of the account holder*). If the account holder is a legal person (*local or foreign*), the authorized person will sign the order (*using the same signature as deposited in the court*). The signature will be verified by the legal person's stamp,
  - Place and date of submitting the order (*note the date must be the same as the date of submitting the order in the ZPP/ZAP sub-branch for processing*)
3. If the subscriber represents a physical or a legal person, the ZPP/ZAP teller warns him/her that he/she has to present the original proxy for each transaction. Otherwise he/she will not be allowed to carry out the transaction,
  4. The ZPP/ZAP staff will inform the subscriber that he/she has to submit the order for transfer of claims in the ZPP/ZAP sub-branch in which the account from which the transfer is carried out was opened. If the subscriber wishes to transfer his account to some other sub-branch of the ZPP/ZAP, he first needs to complete and submit the Z1 form. Foreign citizens will subscribe in the ZPP/ZAP sub-branches foreseen for them.
  5. ZPP/ZAP tellers will also draw the attention of the subscribers to check whether the enterprise they chose is offered in that round of POS. The subscribers will find that information in the Public invitation for that round of POS.
  6. If the subscriber uses cash for subscription of shares, the ZPP/ZAP teller will inform the subscriber that he/she has to complete a separate payment order for each enterprise whose shares are being subscribed.
  7. The ZPP/ZAP teller informs the subscriber that he must enter the following information in the payment order form:
    - Place and name of the ZPP/ZAP sub-branch
    - Title/name and address of the subscriber
    - Payer's JMB – since the payment order does not contain a designated box for entering the JMB number, this number is entered in the empty space on the right-hand side of the order form, on the line of the space for entering the name and address
    - purpose of transfer – the subscriber will enter the purpose as "subscription for POS", citing the name of enterprise whose shares are subscribed
    - receiver - name of the agency for privatization who is a seller of that enterprise
    - amount subscribed in cash

- number of account – number of account of the authorized agency for privatization
- reference number – first part = code of the authorized agency,  
second part = JMB of the enterprise whose shares are subscribed

*Note* The payment order for legal entities will be filled out in accordance with the above described

- 8 ZPP/ZAP teller directs the subscriber to make payment in cash for subscription of shares at the window for regular payment operations of the ZPP/ZAP sub-branch and to take and submit the verified payment order form to the share subscription window, so that the payment could be entered in the information system
- 9 The ZPP/ZAP's employees **must not** advise the subscribers on the choice of enterprises

The samples of properly completed P3 order forms and payment orders are given in Annex 13

**Outcome** The subscribers informed how to complete the subscription orders and how to carry out the subscription

<b>Process</b>	<b>3 2</b>	<b>Implementation of POS</b>
<b>Procedures</b>	<b>3 2 2</b>	<b>Control and Process Payment Order when Payment is made in Cash</b>

**Input**

Completed payment order

Control list with the enterprise name and JMB, authorized agency and account number of the authorized agency for offered enterprises

**Procedure Description**

Subscription of shares in cash is carried out in two phases. In the first phase each subscriber will through payment order pay in the cash at the regular cash payment window. If the subscriber is a legal person having the account in the ZPP/ZAP, he/she can make payment through order for transfer (*transfer order*). Same as the payment order, the transfer order must be completed in such a way that it contains all the information necessary for subscription of shares (*Procedure 3 2 1 defines the information that have to be contained in the payment order*). In the second phase, the subscriber submits the verified payment order/transfer order at the window for subscription of shares so that his payment can be entered in the information system for POS (*Procedure 3 2 3*).

**Steps**

- 1 The ZPP/ZAP teller in charge of cash payments processing must check the payment order slip for the correctness of the entered information. During the check-up, the official will compare the name and the number of the enterprise, the authorized agency for privatization and its account number stated on the payment slip with the information contained in the control list available to the ZPP/ZAP teller. The list will contain the following information
  - JMB and name of enterprise
  - authorized agency
  - number of account of the authorized agency (*cash deposit account of the agency*)
- 2 The ZPP/ZAP teller must check whether the date entered in the payment order matches the date of the payment execution.
- 3 The ZPP/ZAP official checks whether the subscriber entered his JMB and checks it against the number in his/her ID card or passport.
- 4 If the JMB is not entered or is incorrect, the ZPP/ZAP teller will request the subscriber to enter his/her JMB or to complete another payment order.
- 5 If the subscriber is a foreign citizen and does not possess a JMB, the ZPP/ZAP teller will continue the transaction and inform the subscriber that he/she will be assigned an identification number at the share subscription window.
- 6 If other information in the payment order form is correct, the ZPP/ZAP official will process the payment. In the case when there is other incorrect information in the payment

- order, the ZPP/ZAP official will request from the subscriber to complete other special payment order
- 7 The subscriber will be charged a regular ZPP/ZAP fee for payments in cash
  - 8 The ZPP/ZAP official will verify four copies of the special payment order, two of which remain with the subscriber. These two copies serve as a proof of the payment in the second phase of the subscription of shares in cash (*Procedure 3 2 3*)
  - 9 The first copy of the special payment order remains with the ZPP/ZAP for further processing, in accordance with the current ZPP/ZAP procedures
  - 10 Only after the subscription period is over, will one copy of the payment slip be delivered to the account holder (*authorized agency for privatization*) in which cash is paid in when finalizing the payments (*Procedures 3 2 13 and 3 2 14*). Up to the period of finalizing the payments, those copies will be kept in the ZPP/ZAP sub-branches where the payments were made

**Outcome**

Payment order checked-up

Payment made

The payer given the appropriate copies of the payment order

<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
<b>Procedure</b>	<b>3 2 3</b>	<b>Process subscriptions of shares in cash</b>

<b>Input</b>
Two verified payment order slips kept by the subscriber

### Procedure Description

This procedure concerns the processing of subscriptions **only in cash**. Processing of combined subscriptions (cash and claims) is described in the procedure 3 2 4. Second step in the process of subscription of shares in cash is the actual subscription at the subscription counter. After the subscriber makes the cash payment, the subscription of shares will be made at the appropriate counter. Copies of the payment order, received after the payment was made, will be used as subscription order. The cash subscriptions will be processed in the same manner like subscriptions in claims and at the same ZPP/ZAP counter.

### Steps

- 1 ZPP/ZAP teller activates the process of processing orders for subscription of shares in the process of POS
- 2 ZPP/ZAP teller makes the entry of the JMB number in the appropriate field. If the subscriber already has his UCA opened, the screen will show information about subscriber (name and address). If the subscriber does not have a UCA, the ZPP/ZAP teller will request from the subscriber to produce identification document (identification card, passport) and will compare the data with the data entered in the payment order. Thereafter, the ZPP/ZAP teller has to enter the data on the subscriber which are indicated in the payment order (*first name last name and address*)
- 3 If the subscriber is domestic legal entity without JMB number, ZPP/ZAP teller will assign the identification number using the following method
 

Digits 1 to 6	400062
Digits 7 to 13	identification number from the Bureau of Statistics
- 4 If the subscriber does not have JMB number, but has UCA open (on the basis of the restitution or inheritance), the assigned identification number will be the number of the UCA, which ZPP/ZAP teller will enter in the appropriate field on the screen
- 5 If the subscriber has neither the JMB number nor the UCA, he/she will be sent to ZPP sub-branch office, designated for those who do not have JMB number, where the identification number will be assigned using the following method

Foreign physical entity

Digit 1	9
Digits 2 to 4	country code for the country of citizenship
Digits 5 to 13	Classification number at the ZPP (software generates automatically)

Foreign legal entity

Digit 1	8
Digits 2 to 4	country code for the country of residence

Digits 5 to 13 Classification number at the ZPP (software generates automatically)

After the identification number is assigned, ZPP/ZAP teller will enter the number on the payment-order, in the field used for JMB number of subscriber. For all subsequent subscriptions of these subscribers, ZPP/ZAP teller will use the already assigned identification number.

If the subscriber without a JMB number appears at the sub-branch office, which is not designated for persons without the JMB, ZPP/ZAP teller will direct the person to appropriate ZPP sub-branch office.

- 6 ZPP/ZAP will enter the JMB of the enterprise, whose shares are subscribed, which is specified on the payment order. Based on the entry of JMB number, the system will automatically fill the following fields:
  - name of the enterprise
  - name of the authorized agency
  - code of the authorized agency
  - account number of the authorized agency for cash subscription
- 7 After the system automatically fills the mentioned fields, ZPP/ZAP teller will visually check whether the data on the screen match data on the payment slip. If the data is identical (name, JMB of the enterprise, name and the account number of the authorized agency) ZPP/ZAP teller will continue transaction. If the data does not match, ZPP/ZAP teller will cease the transaction, inform the subscriber about errors, and instruct the subscriber to fill new payment order.
- 8 ZPP/ZAP teller will enter the cash amount specified on the payment slip in the appropriate field on the screen.
- 9 ZPP/ZAP teller will stamp two copies of the payment order.
- 10 ZPP/ZAP teller will select the print option from the screen to print proof of payment, which will contain the following data from the computer,
  - Name and JMB/identification number of subscriber
  - Name and JMB number of enterprise whose shares are subscribed
  - Date
  - Location of ZPP/ZAP office
  - Cash amount

Along with printed proof of payment, ZPP/ZAP teller will give back to subscriber the copy of the payment order, in order to check the data (Procedure 3.2.7).

The layout of the proof of payment is given in Annex 14.

#### **Output**

Data on cash subscription entered

<b>Process</b>	<b>3 2</b>	<b>Implementation of POS</b>
<b>Procedure</b>	<b>3 2 4</b>	<b>Receive and review the submitted P3 order</b>

**Input**

Completed P3 Transfer Order Form

**Steps**

- 1 ZPP/ZAP teller checks the authority of the ZPP/ZAP sub-branch\*,
- 2 ZPP/ZAP teller examines P3 form in order to check that
  - a) the order form is the standard order form and that there is appropriate P3 form for every enterprise whose shares are being subscribed,
  - b) the order has been filled out legibly,
  - c) the order contains all the necessary elements,
  - d) all necessary elements have been entered in the appropriate fields, that is in the spaces reserved for the appropriate data on the P3 form,
  - e) the account number of the person who submits the order has 13 digits,
  - f) the order does not contain unnecessary marks and information,
  - g) the order has been signed and the subscriber's ID number has been included,
  - h) the date on the form is the date of submission

If any of the above listed criteria is not fulfilled the ZPP/ZAP teller will require from the subscriber to enter the missing information, or fill out the new P3
- 3 ZPP/ZAP teller checks the identity of the person who submits the order,\*
- 4 If the person who submits the order is another person (proxy) ZPP/ZAP teller will ask for the original proxy,\*
- 5 If the account holder is a legal entity (domestic or foreign) ZPP/ZAP teller will, in the ZPP/ZAP files, check the and match the signature and other personal information from the form with signatures of authorized persons for that account, which is kept on the Card of deposited signatures. If the signature on the form does not match the signature on the Card of deposited signatures, ZPP/ZAP teller will instruct subscriber to update deposited signatures
- 6 ZPP/ZAP teller fills in P3 form by entering
  - a) operation number of the ZPP/ZAP office
- 7 If computer system in the ZPP/ZAP office is not functional at the time, ZPP/ZAP teller will inform subscriber that entry is not possible and give the information about possible time of entry

**Output**

P3 form checked and necessary information completed

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\* For detailed instructions on steps 1 3 and 4 see Acceptance and processing of the Privatization Orders P1 and P2

**Process 3 2****Implementation of the POS****Procedure 3 2 5****Process Subscription of Shares in Claims****Input**

Reviewed transfer order form (P3)

Copy of reviewed proxy attached to the transfer order

**Procedure Description**This procedure concerns processing of subscriptions made **only in claims****Steps**

- 1 ZPP/ZAP teller activates the processing of transfer order in POS,
- 2 ZPP/ZAP teller enters JMB/identification number of the person who submits the order in the appropriate field. If subscriber already has his UCA opened the screen will show the information about the subscriber (name, address),
- 3 ZPP/ZAP teller checks whether the subscriber accesses his account for the first time, or in other words whether the subscriber has already received the first statement,\*
- 4 If P3 form is submitted by a proxy ZPP/ZAP teller checks whether the information from the proxy statement has been entered in the IT system,\*
- 5 ZPP/ZAP teller enters type (code) and amount of claims, which are transferred in appropriate fields on the screen for each type of claims that are subscribed and that have been specified on the form. If UCA does not contain enough claims of the certain type the IT system will block further activities and show the message "insufficient funds". In this case ZPP/ZAP teller ceases processing of transfer order, informs the subscriber about the problem, and instructs him to fill in new P3 transfer order
- 6 ZPP/ZAP teller enters the JMB number (ID number for legal entity) of the enterprise whose shares are being subscribed. Based on the entered number the IT system will automatically fill the following fields
  - name of enterprise
  - name of authorized agency
  - code of authorized agency
- 7 After the IT system automatically fills the name of the enterprise and the authorized agency ZPP/ZAP teller performs a visual control match of the data on the screen with the information specified on the P3 form. If the data match ZPP/ZAP teller fills the field on the P3 form reserved for the code of the agency and continues with the processing. If the data do not match, ZPP/ZAP teller ceases processing and demands from the subscriber to recheck the data and fill new form
- 8 If that is the first transaction from UCA, ZPP/ZAP teller charges the fee for the first transaction, and at the end the teller adds up all transcriptions and transfers the amount on the 849 account
- 9 ZPP/ZAP teller puts his signature as verification of P3 form, and second and third copies of the form are verified with seal (ZPP stamp)

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for detailed instructions on steps 3, 4 and 8 see Acceptance and processing of the Privatization Orders P1 and P2

- 10 ZPP/ZAP teller selects the option to print Subscription receipt form the option on the screen The proof of payment contains the data that ZPP/ZAP teller has entered in the system
- name and JMB number of subscriber
  - name and JMB number of enterprise whose shares are being subscribed
  - date
  - location of the ZPP office
  - amount of each type of claims which are subscribed

ZPP/ZAP teller gives the Subscription receipt along with appropriate copy of the transfer order form to the subscriber, to check the entered data (procedure 3 2 7)

**Output**  
Data on subscription of claims entered in the IT system  
Printed Subscription receipt

<b>Process</b>	<b>3 2</b>	<b>Implementaion of the POS</b>
<b>Procedure</b>	<b>3 2 6</b>	<b>Process Subscription of Shares in a Combination of Cash and Claims</b>

**Input**

Transfer order form (P3) reviewed  
 A copy of the reviewed authorization along with the transfer order form  
 Verified copy of the payment order

**Procedure Description**

This procedure concerns the processing of subscriptions **in a combination of claims and cash**

**Steps**

- 1 ZPP/ZAP teller activates the process of processing orders for subscription of shares in the process of POS. The ZAP/ZPP teller enters the JMB/identification number of the subscriber in the relevant field. If the subscriber has the opened Unique Citizens Account (*hereinafter UCA*), data about that subscriber will show up on the screen automatically.
- 2 The ZPP/ZAP teller first enters the data from P3 order, and thereupon the data from the payment order.
- 3 The ZPP/ZAP teller will check whether this is the first access to the account by the subscriber, i.e. whether he/she picked up the first statement\*.
- 4 In the event that P3 order is submitted by an authorized person, the ZPP/ZAP teller shall check whether the data from the proxy have been entered into the information system.
- 5 ZPP/ZAP teller enters type (code) and amount of claims, which are transferred in appropriate fields on the screen for each type of claims that are subscribed and that have been specified on the form. If UCA does not contain enough claims of the certain type the IT system will block further activities and show the message "insufficient funds". In this case ZPP/ZAP teller ceases processing of transfer order, informs the subscriber about the problem, and instructs him to fill in new P3 transfer order.
- 6 ZPP/ZAP teller enters the JMB number (ID number for legal entity) of the enterprise whose shares are being subscribed. Based on the entered number the IT system will automatically fill the following fields:
  - name of enterprise
  - name of authorized agency
  - code of authorized agency
- 7 After the IT system automatically fills the name of the enterprise and the authorized agency ZPP/ZAP teller performs a visual control match of the data on the screen with the information specified on the P3 form. If the data match ZPP/ZAP teller fills the field on the P3 form reserved for the code of the agency and continues with the processing. If the

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For detailed instruction on steps 4,5 and 9 see *Receive and Process Privatization Orders P1 and P2*

- data do not match, ZPP/ZAP teller ceases processing and demands form the subscriber to recheck the data and fill new form
- 8 When the subscriber makes subscription for an enterprise not only in claims but also in cash, the ZPP/ZAP teller shall take copies of the payment order from the subscriber and visually review the data in the payment slip and on the screen. If the data are identical (*name and JMB of the enterprise name and account number of the authorized agency*), the ZPP/ZAP teller shall enter the cash amount indicated in the payment slip into the appropriate field. If the data do not match, the ZPP/ZAP teller shall inform the customer that the cash subscription for the given enterprise cannot be processed and shall refer him/her to the payment counter in order to correct the error. The ZPP/ZAP teller shall proceed processing the subscription in claims and inform the subscriber that the subscription in cash may be executed at a later date (*so long as the subscription period lasts*) after the errors made in the payment have been corrected.
  - 9 In case this is the first transaction from the given UCA, the ZPP/ZAP teller will charge the subscriber the fee for the first transaction\*.
  - 10 ZPP/ZAP teller puts his signature as verification of P3 form, and second and third copies of the form are verified with seal (ZPP stamp).
  - 11 ZPP/ZAP teller selects the option to print Subscription receipt form the option on the screen. The proof of payment contains the data that ZPP/ZAP teller has entered in the system.
    - name and JMB number of subscriber
    - name and JMB number of enterprise whose shares are being subscribed
    - date
    - location of the ZPP office
    - amount of each type of claims which are subscribed

The ZPP/ZAP teller will provide the subscriber with the printed Subscription receipt and accompanying copies of payment order and P3 order to check the data entered (*Procedure 3 2 7*)

**Output**

Data on subscription in claims entered into the information system  
Subscription Receipt printed out

<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
<b>Procedure</b>	<b>3 2 7</b>	<b>Review of Subscription Receipt</b>

**Input**

Subscription receipt issued  
Copies of payment order/P3 transfer order form

**Procedure Description**

The teller is obliged to warn the subscriber to double check the data from the Subscription Receipt and to compare them against the data from P3 order and payment order  
It is necessary to compare the data from the Subscription Receipt against P3 order in order to correct errors in a timely manner prior to executing transaction

**Steps**

- 1 If the data in the Subscription Receipt differ from those in P3 order/payment order, the subscriber will request correction (*Procedure 3 2 8*) In that case, the teller shall enter correct data into the information system and print new Subscription Receipt and forward it to the subscriber The subscriber will again compare the data from the Subscription Receipt against the data from P3 and payment order
- 2 If the subscriber confirms after comparing P3 order/payment order against the Subscription Receipt that the data entered in the computer are identical with the data in the Receipt, the clerk will finalize the transaction
- 3 Once the transaction has been completed, the ZPP/ZAP teller will select on the screen the command for printing the updated statement from the account Each statement will reflect a historical sequence of activities in the account
- 4 In a case when the subscriber submits more than one P3 form at the same time (wishes to subscribe for several enterprises at once), th ZPP/ZAP teller will inform the subscriber that the account statement will be printed after completion of the last transaction
- 5 The first copy of P3 order and one copy of the payment order, along with the control list printed by the teller, are kept at the ZPP/ZAP sub-branch
- 6 At the end of the workday, the ZPP/ZAP teller will hand over the Control list and the copies of P3 order and payment orders to the ZPP/ZAP controller (see Procedure 3 2 12)

**Output**

Subscription processing finalized  
Updated statement from the UCA printed and delivered to the subscriber  
The fist copy of P3 order and payment order filed at the ZPP/ZAP

<b>Process</b>	<b>3 2</b>	<b><i>Implementation of the POS</i></b>
<b>Procedure</b>	<b>3 2 8</b>	<b><i>Correction of the entered data</i></b>

**Input**

Subscription receipt issued  
Copies of the payment order/transfer order

**Procedure Description**

The subscriber is entitled to request, and the ZPP/ZAP teller is entitled and obliged to carry out the correction of those errors that occurred during the entry of data into the information system (when there is a difference between the data entered in P3 order/verified payment order and the data shown on the Subscription receipt for shares) The subscriber is not entitled to request, and the ZPP/ZAP teller must not process any changes that ensue from a change of opinion on the part of the subscriber concerning the choice of the enterprise or the amount of subscription

**Steps**

- 1 Upon the objection by the subscriber concerning the existence of errors and his request for correction of the errors, the teller will compare the P3 order/payment order submitted by the subscriber for subscription of shares against the Subscription Receipt issued by the clerk to the subscriber. If the data in these two documents differ, the teller shall make the correction, that is the entry of correct data into the computer
- 2 Once the teller has entered the correct data, he/she will issue new Subscription Receipt to the subscriber and repeat the steps for reviewing the accuracy of the subscription data entered (*Procedure 3 2 7 step 1*)
- 3 Once step 2, of this procedure, has been completed, the ZPP/ZAP teller confirms the entry of data into the information system and thereby completes the transaction (*Repeat steps 2 through 5 from Procedure 3 2 7*)

**Output**

Correct data entered in the computer  
New Subscription receipt issued and the steps for reviewing the subscription data repeated

<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
<b>Procedure</b>	<b>3 2 9</b>	<b>Receive and review Order Forms for transfer from PIF Unique Account to POS Cumulative Account</b>

**Input**

Card of deposited signatures

Completed order form for transfer from PIF Unique Account to POS Cumulative account  
(hereinafter referred to as P-4 Form)

**Procedure Description**

Privatization Investment Funds (PIFs) will conduct subscription of enterprises' shares offered through POS at the ZPP/ZAP Branches designated for that matter PIFs will conduct subscription of shares of all selected enterprises through one transaction, using one order form for transfer of claims P4

**Steps**

- 1 ZPP/ZAP teller receives P-4 form and checks his authorization to represent the PIF  
ZPP/ZAP teller requests the statement from the PIF unique account from the order issuer (*hereinafter Statement*) By comparing the data on the amounts of each type of claims from the Statement with the sum of each type of claims entered for all enterprises into P-4 form, the ZPP/ZAP teller checks whether the amount indicated in the transfer order form is covered by the amounts of claims, per type in the PIF unique account In case the amounts indicated in the transfer order form are not covered by claims in the PIF UA, the ZPP/ZAP teller will refer the order issuer to fill out new P-4 form
- 2 In case the order issuer is not listed in the card of deposited signatures, the ZPP/ZAP teller shall inform the order issuer that he/she cannot execute the transaction
- 3 Upon a positive confirmation of the order issuer's identity, the ZPP/ZAP teller shall begin the review of the completed P-4 form, which consists of the following
  - a) Review of the ZPP/ZAP Branch authority (*PIFs make subscription at the branches in which they have their accounts opened*),
  - b) Review of the P-4 form that must be printed in three identical copies by the PIF,
  - c) Review of P-4 form legibility,
  - d) Review of completeness of P-4 form (*order issuer s name and account number amounts of claims to be transferred name and registration number of the enterprise name of the authorized privatization agency stamp and signature of the order issuer*),
  - e) One shall not add any data, other than those defined above, in the form,
  - f) The order issuance date must match the order submission date
- 1 If the review of any of the items specified above proves that the P-4 form is completed incorrectly, the ZPP/ZAP teller shall refer the order issuer to the appropriate ZPP/ZAP Branch (*item a*) or will refer him/her to fill out new P-4 form

- 5 If the review proves that all criteria are met, the ZPP/ZAP teller will supplement the form by inserting the operations number of the ZPP/ZAP unit and continue processing the order form

**Output**  
Accepted and reviewed P-4 form

<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
<b>Procedure</b>	<b>3 2 10</b>	<b>Process subscription of shares per PIF order</b>

**Input**

Received and reviewed P-4 form

**Steps**

- 1 ZPP/ZAP teller activates the process of P-4 form processing
- 2 ZPP/ZAP teller enters the order issuer's unique account number, whereupon the order issuer's name, seat and total amount of claims in the PIF UA will appear on the screen
- 3 ZPP/ZAP teller types in the JMB of the enterprise whose shares are being subscribed. Based on the JMB of the enterprise, the information system automatically completes the fields designated for the name and seat of the enterprise and opens the fields for subscription of each type of claims to be subscribed for the given enterprise. In case the JMB of the enterprise is incorrectly entered on the order, the data on the enterprise shall not appear on the screen, and thus the ZPP/ZAP teller shall refer the order issuer to fill out new P-4 form
- 4 ZPP/ZAP teller enters in the appropriate field the amount of each type of claims to be subscribed for the given enterprise, and the information system automatically adds up all claims and shows the total in the field "*TOTAL OF CLAIMS TRANSFERRED*"
- 5 Procedure under steps 3 and 4 is repeated for each enterprise for which subscription is made, and which are listed in the P-4 form
- 6 Once all data on subscription for individual enterprises have been entered, the information system automatically matches the fields "*TOTAL AMOUNT OF CLAIMS IN PIF UA*" and "*TOTAL OF CLAIMS TRANSFERRED*" and, in case the total amount of subscription for an enterprise exceeds 20% of the total amount of claims in PIF UA, it terminates the processing of the transfer order. ZPP/ZAP teller informs the order issuer that the subscription account cannot cover the requested transaction and requests the order issuer to fill out new P-4 form
- 7 Following the entry of data on subscription for all enterprises listed in the P-4 form, the information system automatically calculates the sums of subscription for each type of claims, as well as the sum of subscription of all claims for all enterprises
- 8 By comparing the sums entered in the P-4 form with the sums automatically calculated by the information system, the ZPP/ZAP teller controls the accuracy of data entry. If the data match, the ZPP/ZAP teller completes the transaction, and if the data do not match the teller carries out a detailed review of each amount of claims subscribed in order to correct the mistake
- 9 ZPP/ZAP teller shall print out the updated statement from PIF UA and deliver it to the order issuer
- 10 ZPP/ZAP teller verifies with his/her signature the first copy of the P-4 form and files it, whereas the second and the third copy he/she verifies with stamp and signature and gives it to the order issuer

**Output**

Data on subscription of claims entered into information system

<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
<b>Procedure</b>	<b>3 2 11</b>	<b>Correction of the Entered Data (PIF)</b>

**Input**

A copy of P-4 form verified by the ZPP/ZAP  
Statement from PIF Unique Account

**Procedure Description**

The subscriber is entitled to request and the ZPP/ZAP teller is entitled and obliged to correct those mistakes that occurred while entering data into the information system (*when there is a difference between the data entered into P-4 form and the data shown in the updated statement from PIF UA*). The ultimate deadline for requesting correction of the mistake that occurred while entering data is two days after the day the transaction was executed. The subscriber is not entitled to request and the ZPP/ZAP teller shall not process any changes that result from a change of opinion of the subscriber as regards the choice of enterprise or the amount subscribed.

**Steps**

- 1 Upon subscriber's objection as to the existence of errors and his/her request for their correction, the teller shall compare the verified copy of P-4 form provided by the order issuer with the first page of the order form filed at the ZPP/ZAP. Once it has been established that it concerns the same P-4 form, the teller shall review the data from the updated statement from PIF UA. Should the teller find out that the data from P-4 form and from the updated statement from PIF UA differ, he/she shall make the correction, that is enter correct data in the computer.
- 2 The ZPP/ZAP teller shall make the requested corrections by retrieving in the information system the transaction by which the transfer of claims from PIF UA to Cumulative Account was carried out. Thereafter, the ZPP/ZAP teller shall cancel\* the transaction whereby returning the claims to the PIF UA.
- 3 Following the cancellation of the order the ZPP/ZAP teller shall process the order anew in the manner described in Procedure 3 2 10.

**Output**

Ill-executed transaction canceled and new transaction with correct data executed

<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
<b>Procedure</b>	<b>3 2 12</b>	<b>Daily Review of Transactions Executed in POS</b>

**Input**

Data on subscription entered into information system  
Copies of P3 order and payment order that remain in the ZPP/ZAP  
Instructions for recording and settlement of citizens' claims from Unique Accounts

**Procedure Description**

At the end of the workday, the ZPP/ZAP teller shall print out the Control list of daily transactions, which is generated by information system, and hand it over, along with the copies of P3 order and payment order, to the person in charge of the review of daily transactions executed at the ZPP/ZAP

The procedure of daily review of transactions executed in POS is carried out in the same manner as determined under procedure 1 8 1 (*Review of the processed P1 and P2 order forms*) in document "Procedures for recording, verifying and settlement of claims from the unique account"

The layout of the Review list of transactions is given in Annex 15

<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
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<b>Procedure</b>	<b>3 2 13</b>	<b>Prepare daily reports for the agencies</b>
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<b>Input</b>	Subscription data entered into the information system for POS
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### Procedure Description

The ZPP/ZAP is under obligation to report daily on subscription status to the FPA and CPAs. The daily reports must not contain information that might endanger confidentiality of data on subscription per enterprise. The reports are prepared throughout the subscription period, every day for the previous day and for the subscription period thus far.

Daily reports on subscription of shares consist of two parts:

- cumulative information on subscription in the Federation, as well as in cantons, for the previous day
- cumulative information on subscription in the Federation, as well as in cantons, for the subscription period thus far

Daily reports on subscription encompass data on subscription for that day and cumulative for the subscription period from the beginning of POS.

In order to ensure confidentiality of the amount subscribed for each enterprise, the data *shall not be* consolidated per enterprise.

The ZPP/ZAP report on cash transactions in POS process may be in no other format than the format of the daily report described above. The daily report **must not** contain information on the account to which the subscribed cash has been transferred. This means that the ZPP/ZAP during the subscription period will not generate and send reports on payments onto accounts 798.

### Steps

- 1 At the beginning of each workday, the responsible person at the ZPP/ZAP shall create daily report by selecting appropriate option on the screen. The report consists of 2 parts as described under this procedure.
- 2 The responsible person of the ZPP/ZAP will deliver the electronic report to FPA each morning by 10 am at the latest. FPA will forward this report electronically to CPAs.
- 3 Prior to delivering the report to the agencies for privatization, the responsible person at the ZPP/ZAP Central shall review, sign, date and stamp both parts of the report. It is the responsibility of the FPA to pick up the hard copies of the created reports from the ZPP Central.

A sample of the Daily report is given in Annex 5.

<b>Output</b>
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Daily reports on subscription in POS prepared and delivered
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<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
<b>Procedure</b>	<b>3 2 14</b>	<b>Consolidate subscription data following the first round of POS</b>

**Input**

Subscription data entered into information system  
 Completed first round of POS  
 FPA order for consolidation of subscription data

**Procedure Description**

Following the completion of subscription period, the ZPP/ZAP operator, upon the order issued by the responsible person from FPA, shall consolidate subscription in POS per enterprise by using the software

**Steps**

- 1 The ZPP/ZAP operator receives the order from the responsible person from the FPA to consolidate data on subscription in POS per enterprise
- 2 The ZPP/ZAP operator starts the program for consolidation of data on subscription per enterprise
- 3 Information system consolidates data on subscription per enterprise in the following manner
  - Subscription data will be associated with each enterprise (*an enterprise is defined by its name and JMB*)
  - JMB/identification numbers of subscribers associated with the amounts of their individual subscription in claims for the given enterprise,
  - JMB/identification numbers of subscribers associated with the amounts of their individual subscription in clash for the given enterprise
- 4 The Payment Bureau makes the consolidated data on subscription available to the authorized agencies. Data will be available in electronic format on the Claims Register system which is located in the ZPP/ZAP Central

**Output** Subscriptions in POS consolidated per enterprise

<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
<b>Procedure</b>	<b>3 2 15</b>	<b>Finalize payments in claims and cash for successfully offered enterprises</b>

**Input**

Request by the authorized privatization agency for finalizing subscriptions  
Instructions

**Steps**

- 1 Based on the request by the authorized agency, the responsible person of the ZPP/ZAP will finalize subscriptions for enterprises with a successful POS
- 2 To finalize subscriptions for **successfully offered** enterprises, the authorized person at the ZPP/ZAP shall
  - Transfer claims subscribed for the given enterprises from the Temporary to Cumulative Account Forward report on transfer of claims to all agencies
  - ZPP/ZAP will, based on the request of the authorized agency, transfer the whole amount of cash subscribed for shares of a successfully offered enterprise from 798 account to the regular cash account of the authorized privatization agencies

Reports to authorized agencies on executed transactions of cash and claims will be created by using information system The transfer will be executed by the ZPP using the standard business procedure

**Output**

Finalized payment for shares in cash and claims for enterprises with successfully completed public offering of shares  
Reports on executed transactions delivered to the authorized agencies

<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
<b>Procedure</b>	<b>3 2 16</b>	<b>Return of claims and cash subscribed in POS for unsuccessfully offered enterprises</b>

**Input**

Request by the authorized agency  
Procedures for POS

**Steps**

- 1 Based on notification, sent from the authorized agency, on enterprises unsuccessfully offered in POS, and on the order to the ZPP/ZAP to return claims and cash to the subscribers for these enterprises, the ZPP/ZAP will execute the return of claims to the UAs from which the subscriptions were made for these enterprises
- 2 To execute the return of payments for **unsuccessfully offered** enterprises, the person in charge at the ZPP/ZAP shall
  - Return claims subscribed for the unsuccessfully offered enterprises from the Temporary account to subscribers' accounts The process of the certificate subscription will be supported by the information system for POS
  - Authorized agencies will execute the return of the claims via postal order to addresses of the subscribers who subscribed shares of the unsuccessfully offered enterprises in cash
  - Forward report on the executed transactions of return of claims to the authorized agencies The person in charge at the ZPP/ZAP will create this report by using the information system The layout of the report is given in Annex 17 Copies of P3 orders and of payment order will be forwarded along with the report ZPP will transfer the subscribed cash to the cumulative cash accounts of the authorized agencies, so that each agency can return the subscribed cash for unsuccessfully offered enterprises to those subscribers This activity, along with submitted of the certified order form copies, will be completed in accordance with the standard business procedure of the ZPP
- 3 After the announcement of POS results, and upon subscribers' request, the ZPP/ZAP teller shall issue them the statement from UA which will reflect the changes ensuing from the return of claims subscribed for unsuccessfully offered enterprises

**Output**

Cash and claims subscribed for enterprises with unsuccessful POS returned to subscribers  
Report on executed transactions prepared and delivered to the authorized agencies

<b>Process</b>	<b>3 2</b>	<b>Implementation of the POS</b>
<b>Procedure</b>	<b>3 2 17</b>	<b>Issue notification to subscribers</b>

**Input**

FPA's order to ZPP/ZAP to issue notifications to the subscribers of the successfully offered enterprises

Announcement of POS results and notification to subscribers to pick up notifications at the ZPP/ZAP branches

**Steps**

- 1 Once the electronic document has been received (*file*) containing data on the results for the subscribers from FPA, the information technology unit of the ZPP/ZAP Central will enable each sub-branch or branch at which the subscription of shares was made to have access to those data. The data will be used for printing notifications for the subscribers, upon request, to those subscribers who subscribed for shares of successfully offered enterprises.
- 2 After the announcement of results and per FPA invitation, subscribers will be given a period of time of 20 days during which they may request notification on ownership acquired in the process of POS at the sub-branch in which they made subscription. As the basis for the request the subscribers will use copies of P3/P4 order form and a copy of the payment order they were given during the subscription or the subscription receipt.
- 3 Upon producing P3/P4 order form, the ZPP/ZAP teller will activate the program for printing the notification and will enter JMB of the enterprise indicated in P3/P4 order form or subscription receipt in the appropriate field. In case the system is not operative, the ZPP/ZAP teller will inform the subscriber that the notification can be picked up on any workday when the information system is operative.
- 4 In the event that the POS for the enterprise indicated was unsuccessful, the message "Unsuccessful POS" will appear on the screen and the ZPP/ZAP teller shall inform the subscriber that the POS for the given enterprise was unsuccessful and that the claims subscribed for that enterprise have been returned to the subscriber's account. The ZPP/ZAP teller will print out for the subscriber the updated statement from the UCA to reflect the return of claims to the subscriber's account. If the subscriber had subscribed in cash, the authorized agency will return the subscribed amounts through PTT.
- 5 In the event that the POS for the given enterprise was successful, the ZPP/ZAP teller will enter JMB of the subscriber and select the option for printing notification for the subscriber.
- 6 The printing of notification will be repeated for each enterprise with successful POS whose shares were purchased by the subscriber.

A sample of notification to subscribers is given in Annex 11

**Output**

Notifications issued upon the requests by subscribers

<i>Process</i>	<i>3 3</i>	<i>Conducting the second round of POS</i>
----------------	------------	---

Procedures 3 2 1 through 3 2 17 are repeated in the second round, except for procedure 3 2 16 "Finalize subscription in claims and cash for unsuccessfully offered enterprises" which is excluded

*Annexes*

*Annex 1 List of enterprises that have to  
update their OBS*

### Federation of Bosnia and Herzegovina

Privatization Agency \_\_\_\_\_

Date \_\_\_\_\_

#### LIST OF ENTERPRISES THAT HAVE TO UPDATE THEIR OBS

	Name of enterprise	JMB number of enterprise	Need to update OBS based on
			OBS older than 6 months
1			
2			
3			
4			
5			
6			
7			
8			

\_\_\_\_\_  
SIGNATURE

SEAL

***Annex 2 Notification to enterprises to  
update their OBS***

Privatization Agency \_\_\_\_\_

Date \_\_\_\_\_

**NOTIFICATION TO UPDATE OBS**

the enterprise \_\_\_\_\_, located (address) \_\_\_\_\_

with JMB number \_\_\_\_\_, is informed to update their OBS

made on (date) \_\_\_\_\_

According to Article 6 of the Law on Opening Balance Sheet of Enterprises and Banks (The Official Gazette of the FBiH, 12/98) and Article 18o and 18t of the Ordinance on Amendments and Changes of the Ordinance on Methodology for Preparation of Opening Balance Sheet and Privatization Program (The Official Gazette of the FBiH, 26/98), and based on Instructions on Amendments and Changes of the Instructions on Form and Content of form for Opening Balance Sheet (The Official Gazette of the FBiH, 26/99), enterprises are obliged to submit corrected opening balance sheet if the existing opening balance sheet is older than 6 months

Updated OBS must be submitted to the authorized agency the latest \_\_\_\_\_ from the date specified below

**Place and Date**  
\_\_\_\_\_

**Signature**  
\_\_\_\_\_

**SEAL**

***Annex 3 Catalogue of Enterprises  
Offered for Sale in POS***

**Federation of Bosnia and Herzegovina**

**Catalogue of Enterprises**

**Offered in the Public Offering of Shares**

**(Month)/Year**

**Table of Contents**

**INTRODUCTION**

About Public Offering of Shares in Federation of Bosnia and Herzegovina

**CHAPTER 1 – ENTERPRISES UNDER THE AUTHORITY OF THE AGENCY FOR PRIVATIZATION OF CANTON 1**

- 1 About Authorized Privatization Agency
  - ◆ Address
  - ◆ Phone Number
  - ◆ Account Number
  - ◆ Name of the person responsible for providing additional information  
(Per investors request, Privatization Program and Opening Balance Sheet may be viewed and copied)
  
- 2 Code of Activity 100 and Description of Activity
  - Company Profiles of all enterprises from Canton A with code of activity 100
  
- 3 Code of Activity 200 and Description of Activity
  - Company Profiles of all enterprises from Canton A with code of activity 200
  
- 4 Code of Activity X and Description of Activity
  - Company Profiles of all enterprises from Canton A with code of activity X

**CHAPTER 2 – ENTERPRISES UNDER THE AUTHORITY OF THE AGENCY FOR PRIVATIZATION OF CANTON 2**

- 1)
- 2)
- 3)
- 4)

**CHAPTER 10 – ENTERPRISES UNDER THE AUTHORITY OF THE AGENCY FOR PRIVATIZATION OF CANTON 10**

**CHAPTER 11 – ENTERPRISES UNDER FPA AUTHORITY OF THE AGENCY FOR PRIVATIZATION IN FEDERATION OF BIH**

**Profile of the Enterprise**  
As of \_\_\_\_\_, 199\_\_

Name of the Enterprise \_\_\_\_\_

Address \_\_\_\_\_

Code of Activity \_\_\_\_\_ Description of Activity \_\_\_\_\_

JMB Number \_\_\_\_\_

## Financial Information

	1998	1997
Profit / Loss		
Revenue		
Assets		
Liabilities		
Total Capital		

## Ownership Structure

	OBS Value	Expressed as Percent of the OBS Value of Total Capital
Private Capital		
Total State / Social Capital		
State / Social Capital Offered for Sale in POS		

Number of Employees Active \_\_\_\_\_ On waiting \_\_\_\_\_

## Structure of Employees

PhD		Highly qualified	
Magistrate		Qualified	
University degree		Partially qualified	
College degree		Unqualified	
High School			

*Annex 4 Public Invitation for POS*

**Public Invitation for Public Offering of Shares**

Date of Announcement \_\_\_\_\_

**I INFORMATION ABOUT OFFERED ENTERPRISES**

**1 ENTERPRISES UNDER THE AUTHORITY OF THE AGENCY FOR PRIVATIZATION OF THE CANTON 1**

Address of the Cantonal Privatization Agency \_\_\_\_\_

Phone Number \_\_\_\_\_

Agency's Account (For cash subscriptions) \_\_\_\_\_

*List of Enterprises*

1 Enterprise's Name \_\_\_\_\_

◆ JMB number \_\_\_\_\_

◆ Headquarters (town) \_\_\_\_\_

◆ Code of Activity \_\_\_\_\_ Description of Activity \_\_\_\_\_

◆ Total value of enterprise's capital \_\_\_\_\_

◆ Value and % of private capital \_\_\_\_\_

◆ Value and % of state/social capital \_\_\_\_\_

◆ Value and % of state/social capital offered for sale \_\_\_\_\_

◆ Ratio of subscribed amount and offered capital from the first round of POS  
(Only for offerings in the second round of POS '1) \_\_\_\_\_

2 Enterprise's Name \_\_\_\_\_

◆ JMB number \_\_\_\_\_

◆ Headquarters (town) \_\_\_\_\_

◆ Code of Activity \_\_\_\_\_ Description of Activity \_\_\_\_\_

◆ Total value of enterprise's capital \_\_\_\_\_

◆ Value and % of private capital \_\_\_\_\_

◆ Value and % of state/social capital \_\_\_\_\_

◆ Total value and % of state/social capital offered for sale \_\_\_\_\_

◆ Ratio of subscribed amount and offered capital from the first round of POS  
(Only for offerings in the second round of POS '1) \_\_\_\_\_

*NOTE All enterprises in this canton whose shares will be offered in POS must be listed*

**2 ENTERPRISES UNDER THE AUTHORITY OF THE AGENCY FOR PRIVATIZATION OF CANTON 2**

Address of the Cantonal Privatization Agency \_\_\_\_\_

Phone Number \_\_\_\_\_

Agency's Account (For cash subscriptions) \_\_\_\_\_

*List of Enterprises*

1 Enterprise's Name \_\_\_\_\_

- ◆ JMB number \_\_\_\_\_
  - ◆ Headquarters (town) \_\_\_\_\_
  - ◆ Code of Activity \_\_\_\_\_ Description of Activity \_\_\_\_\_
  - ◆ Total value of enterprise s capital \_\_\_\_\_
  - ◆ Value and % of private capital \_\_\_\_\_
  - ◆ Value and % of state/social capital \_\_\_\_\_
  - ◆ Total value and % of state/social capital offered for sale \_\_\_\_\_
- ◆ Ratio of subscribed amount and offered capital from the first round of POS  
(Only for offerings in the second round of POS !)
- 2 Enterprise s Name \_\_\_\_\_
- ◆ JMB number \_\_\_\_\_
  - ◆ Headquarters (town) \_\_\_\_\_
  - ◆ Code of Activity \_\_\_\_\_ Description of Activity \_\_\_\_\_
  - ◆ Total value of enterprise s capital \_\_\_\_\_
  - ◆ Value and % of private capital \_\_\_\_\_
  - ◆ Value and % of state/social capital \_\_\_\_\_
  - ◆ Total value and % of state/social capital offered for sale \_\_\_\_\_
- ◆ Ratio of subscribed amount and offered capital from the first round of POS  
(Only for offerings in the second round of POS !)

*NOTE All cantons must be represented (with lists of all offered enterprises) in the same manner*

**11 ENTERPRISES UNDER FPA AUTHORITY**

Address of the Federal Privatization Agency \_\_\_\_\_  
 Phone Number \_\_\_\_\_  
 Agency's Account (For cash subscriptions) \_\_\_\_\_

*List of Enterprises*

- 1 Enterprise s Name \_\_\_\_\_
- ◆ JMB number \_\_\_\_\_
  - ◆ Headquarters (town) \_\_\_\_\_
  - ◆ Code of Activity \_\_\_\_\_ Description of Activity \_\_\_\_\_
  - ◆ Total OBS value of enterprise s capital \_\_\_\_\_
  - ◆ Value and % of private capital \_\_\_\_\_
  - ◆ Value and % of state/social capital \_\_\_\_\_
  - ◆ Total value and % of state/social capital offered for sale \_\_\_\_\_
- ◆ Ratio of subscribed amount and offered capital from the first round of POS  
(Only for offerings in the second round of POS !)
- \_\_\_\_\_

## II INFORMATION ABOUT SUBSCRIPTION OF SHARES

1 Period for subscription From \_\_\_\_\_ To \_\_\_\_\_

2 Locations of bid collection centers

### Subscription sites

Subscription sites are Payment Bureau offices where Unique Accounts of citizens and PIFs are maintained

3 Subscriptions can be made at the above locations between (hours) every day except Sundays

4 Subscription forms can be obtained at

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5 Instructions on how to fill the subscription forms

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6 Method of subscription result calculation

Results calculation will be performed through two steps First, it will be determined those enterprises that have successful subscriptions Enterprises with the successful subscription are those that whose total value of subscriptions in the first round is at least 80% and not more than 120% of the value of the offered capital Enterprises with the successful subscription in the second round are those where an enterprise receives any subscriptions, regardless of the value of the subscriptions Second step of results calculation is determination of the subscription results for each buyer, i.e. determination of the value and percentage of an enterprise's capital acquired by each buyer

***Annex 5 Daily Reports on POS***

**DAILY REPORT ON SUBSCRIPTION OF SHARES IN THE PUBLIC OFFERING OF SHARES**

Canton \_\_\_\_\_

Date \_\_\_\_\_

	Today	Cumulative, for the Whole Period
<b>I Total Claims Subscribed</b>		
1 General claims		
2 Frozen foreign currency		
3 Unpaid military wages		
4 Unpaid pensions		
5 Restitution		
<b>II Cash Subscribed</b>		

---

<b>TOTAL AMOUNT SUBSCRIBED (I + II)</b>		
---	--	--

Prepared by \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Stamp

**PUBLIC OFFERING OF SHARES  
DAILY SUBSCRIPTION REPORT FOR THE FEDERATION OF BOSNIA AND HERZEGOVINA**

**FOR THE DAY** \_\_\_\_\_  
(Date)

	Canton 1	Canton 2	Canton 3	Canton 4	Canton 5	Canton 6	Canton 7	Canton 8	Canton 9	Canton 10	TOTAL
<b>I Claims Subscribed</b>											
1 General Claims											
2 Frozen foreign currency											
3 Unpaid military wages											
4 Unpaid pensions											
5 Restitution											
<b>II Cash Subscribed</b>											
<b>TOTAL AMOUNT SUBSCRIBED (I + II)</b>											

## PUBLIC OFFERING OF SHARES DAILY SUBSCRIPTION REPORT FOR THE FEDERATION OF BOSNIA AND HERZEGOVINA

Cumulative, for the whole period from \_\_\_\_\_ to \_\_\_\_\_

	Canton 1	Canton 2	Canton 3	Canton 4	Canton 5	Canton 6	Canton 7	Canton 8	Canton 9	Canton 10	TOTAL
<b>I Claims Subscribed</b>											
1 General Claims											
2 Frozen foreign currency											
3 Unpaid military wages											
4 Unpaid pensions											
5 Restitution											
<b>II Cash Subscribed</b>											
<b>TOTAL AMOUNT SUBSCRIBED (I + II)</b>											

Prepared by \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Stamp

***Annex 6 List of Enterprises with the  
Successful Subscription and List of  
Enterprises with Unsuccessful  
Subscription of shares***

### Federation of Bosnia and Herzegovina

#### LIST OF ENTERPRISES WITH SUCCESSFUL SUBSCRIPTION IN THE FIRST / SECOND ROUND OF POS

CPA \_\_\_\_\_

NAME OF THE ENTERPRISE	JMB	OBS VALUE OF STATE/SOCIAL CAPITAL OFFERED	TOTAL VALUE SUBSCRIBED	RATIO VALUE SUBSCRIBED/OBS VALUE OF OFFERED CAPITAL

CPA \_\_\_\_\_

NAME OF THE ENTERPRISE	JMB	OBS VALUE OF STATE/SOCIAL CAPITAL OFFERED	TOTAL VALUE SUBSCRIBED	RATIO VALUE SUBSCRIBED/OBS VALUE OF OFFERED CAPITAL

FPA \_\_\_\_\_

NAME OF THE ENTERPRISE	JMB	OBS VALUE OF STATE/SOCIAL CAPITAL OFFERED	TOTAL VALUE SUBSCRIBED	RATIO VALUE SUBSCRIBED/OBS VALUE OF OFFERED CAPITAL

*NOTE LIST ALL ENTERPRISES WITH SUCCESSFUL POS FOR EACH CANTON*

PREPARED BY \_\_\_\_\_

DATE \_\_\_\_\_

Previous Page Next

### Federation of Bosnia and Herzegovina

#### LIST OF ENTERPRISES WITH UNSUCCESSFUL SUBSCRIPTION IN THE FIRST / SECOND ROUND OF POS

CPA \_\_\_\_\_

NAME OF THE ENTERPRISE	JMB	OBS VALUE OF STATE/SOCIAL CAPITAL OFFERED	TOTAL VALUE SUBSCRIBED	RATIO VALUE SUBSCRIBED/ OBS VALUE OF OFFERED CAPITAL

CPA \_\_\_\_\_

NAME OF THE ENTERPRISE	JMB	OBS VALUE OF STATE/SOCIAL CAPITAL OFFERED	TOTAL VALUE SUBSCRIBED	RATIO VALUE SUBSCRIBED/ OBS VALUE OF OFFERED CAPITAL

FPA \_\_\_\_\_

NAME OF THE ENTERPRISE	JMB	OBS VALUE OF STATE/SOCIAL CAPITAL OFFERED	TOTAL VALUE SUBSCRIBED	RATIO VALUE SUBSCRIBED/ OBS VALUE OF OFFERED CAPITAL

*NOTE LIST ALL ENTERPRISES WITH SUCCESSFUL POS FOR EACH CANTON*

PREPARED BY \_\_\_\_\_

DATE \_\_\_\_\_

***Annex 7 List of Subscribers to Whom  
Cash Should be Returned***

**FEDERATION OF BOSNIA AND HERZEGOVINA**

**AGENCY FOR PRIVATIZATION OF CANTON.../APF  
LIST OF SUBSCRIBERS TO WHOM CASH SHOULD BE RETURNED**

NAME OF THE SUBSCRIBER	ADDRESS	NAME AND JMB OF ENTERPRISES FOR WHICH CASH WAS PAID	AMOUNT PAIED

*Annex 8 List of results of POS*

FEDERATION BOSNIA AND HERZEGOVINA  
 Cantonal Privatization Agency \_\_\_\_\_

**RESULTS OF PUBLIC OFFERING OF SHARES FOR ENTERPRISES**

No	Name of enterprise	JMB number of enterprise	Amount of Offered Capital	Subscription	Ratio between subscription and offered capital	Successful POS	Unsuccessful POS
TOTAL FOR ALL ENTERPRISES UNDER THE AGENCY'S AUTHORITY							

CPA Representative

\_\_\_\_\_

Date

\_\_\_\_\_

SEAL

PROJON PCCP WITJE

FEDERATION BOSNIA AND HERZEGOVINA  
 Agency FOR Privatization in the FBiH

RESULTS OF PUBLIC OFFERING OF SHARES FOR ENTERPRISES

No	Name of enterprise	JMB number of enterprise	Amount of Offered Capital	Subscription	Ratio between subscription and offered capital	Successful POS	Unsuccessful POS
TOTAL FOR ALL ENTERPRISES IN CANTON UNDER THE AGENCY'S AUTHORITY							

FPA Representative

\_\_\_\_\_

Date

\_\_\_\_\_

SEAL



***Annex 9 List of the New Shareholders***

**FEDERATION OF BOSNIA AND HERZEGOVINA**  
**AGENCY FOR PRIVATIZATION OF CANTON.../APF**  
**LIST OF NEW SHAREHOLDERS** resulting from the public offering of shares

1 NAME OF THE ENTERPRISE \_\_\_\_\_

2 ADDRESS OF THE ENTERPRISE \_\_\_\_\_

3 JMB OF THE ENTERPRISE \_\_\_\_\_

NAME OF THE SHAREHOLDER	ADDRESS	JMB	% OF THE TOTAL ENTERPRISE'S CAPITAL OWNED	AMOUNT OWNED	NUMBER OF SHARES	NOMINAL VALUE OF ONE SHARE

PREPARED BY \_\_\_\_\_

DATE \_\_\_\_\_

\_\_\_\_\_  
STAMP

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*Annex 10 Decree on Privatization*

**Federal / Cantonal Privatization Agency**

No \_\_\_\_\_  
According to Article 38 of the Law on Privatization of Enterprises (Official Gazette, # 27/98) and Article 38 of the Law on Opening Balance Sheet of Enterprises and Banks (Official Gazette, # 12/98), and decision of the Management Board , the Director of the Federal / Cantonal Privatization Agency \_\_\_\_\_ passes

***A Decree on Privatization***

Entry of the performed privatization into the Court Registry of Enterprises " \_\_\_\_\_ ", with headquarters in \_\_\_\_\_ and with the JMB number \_\_\_\_\_ is approved

The value of the state/social capital before the privatization process was \_\_\_\_\_ KM  
The value of the state/social capital that has been privatized is \_\_\_\_\_ KM  
The state/public capital has been sold in the process \_\_\_\_\_ (public  
auction / public tender/ public offer of shares)

The appeal shall not delay execution of the Decree

***Explanation***

Review of the Report on Performed Privatization of the Enterprise " \_\_\_\_\_ " has determined that the enterprise has been privatized in accordance with the Law on Privatization and, therefore the Management Board decided as in purview  
The integral part of this Decree is the list of new shareholders / owners

Place and date

Director

\_\_\_\_\_

\_\_\_\_\_

**STAMP**

Legal remedy

Appeal to this Decree is allowed and is to be submitted to the relevant Cantonal/Federal Ministry within 15 days from the day when Decree was received

Copy

1 (enterprise)

2 (archives)



*Annex 11 Notification for Subscribers*

**FEDERATION OF BOSNIA AND HERZEGOVINA  
AGENCY FOR PRIVATIZATION CANTON .../APF**

**NOTIFICATION OF RESULTS OF PUBLIC OFFERING OF SHARES  
for subscribers**

1	Name of subscriber	
2	JMB of subscriber	
3	Address of subscriber	
4	Name of the Enterprise whose Shares are Subscribed	
5	Address of the Enterprise whose Shares are Subscribed	
6	JMB of the Enterprise whose Shares are Subscribed	
7	Total value of the enterprise's capital	
8	Total state/social value of enterprise's capital offered for sale	
9	Total value subscribed for the enterprise	
10	Ratio of total value subscribed to total value offered for sale	
11	Total value subscribed by subscriber	
12	<b>Value of enterprise's capital that was bought</b>	
13	<b>Percentage of enterprise's bought capital</b>	
14	<b>Number of shares owned by subscriber <sup>1</sup></b>	
15	<b>Nominal value of one share <sup>1</sup></b>	

***NOTE** This Notification is not a security and is not tradable. It is issued as a confirmation to reflect your holding of enterprise's total capital acquired through the Public Offering of Shares*

Above presented data are calculated and verified by Federal and Cantonal Privatization Agencies

<sup>1</sup> If decided at a later date, specify when and who will make that decision

*Annex 12 Announcement of the POS  
Results*

**Public Announcement of Results**  
of the First / Second Round of the Public Offering of Shares  
Conducted from \_\_\_\_\_ until \_\_\_\_\_

Considering total value of subscriptions and value of offered capital for each enterprise offered in the POS, the privatization agencies has determined successfulness of the offering and created the lists of enterprises with successful and unsuccessful subscription. In the first round of the POS, offering is considered successful if the total value of the subscriptions is at least 80% and not greater than 120% of the value of the offered capital (0.8 – 1.2 ratio). In the second round, offering is considered successful if there is at least one subscription regardless of its value (ratio greater than 0).

**I List of Enterprises with Successful Subscription**

*(Total value subscribed / offered capital ratio 0.8 – 1.2 in the first round, total value subscribed greater than 0 in the second round)*

**1 CPA** \_\_\_\_\_

Name of the Enterprise	JMB	OBS Value of Offered Capital	Value Subscribed	Ratio Total Value Subscribed / OBS Value of Offered Capital

**2 CPA** \_\_\_\_\_

Name of the Enterprise	JMB	OBS Value of Offered Capital	Value Subscribed	Ratio Total Value Subscribed / OBS Value of Offered Capital

**11 Enterprises under FPA authority**

Name of the Enterprise	JMB	OBS Value of Offered Capital	Value Subscribed	Ratio Total Value Subscribed / OBS Value of Offered Capital

*Note: List all enterprises organized by all cantons in the same manner*

Subscribers who subscribed for successfully offered enterprises can collect Notification with their individual results at Payment Bureau Office where they made their subscriptions from \_\_\_\_\_ until \_\_\_\_\_

**II List of Enterprises with Unsuccessful Subscription**

(Total value subscribed /offered capital ratio lower than 0.8 or higher than 1.2 in the first round total value subscribed equal 0 in the second round))

**1 CPA**

Name of the Enterprise	JMB	OBS Value of Offered Capital	Value Subscribed	Ratio Total Value Subscribed /OBS Value of Offered Capital

**2 CPA**

Name of the Enterprise	JMB	OBS Value of Offered Capital	Value Subscribed	Ratio Total Value Subscribed / OBS Value of Offered Capital

**11 Enterprises under FPA authority**

Name of the Enterprise	JMB	OBS Value of Offered Capital	Value Subscribed	Ratio Total Value Subscribed / OBS Value of Offered Capital

All subscribers /owners of the unique accounts may, at the relevant ZPP office, pick up statements from their accounts which will indicate the return of the certificates due to unsuccessful POS,

*Note List all enterprises organized by all cantons in the same manner*

***Annex 13 Completed P3 form and  
payment order***

**THE PAYMENT BUREAU OF THE FEDERATION BiH**

**ORDER FOR TRANSFER OF CLAIMS TO  
CUMULATIVE ACCOUNT IN POS**

Transfer Purpose Code 62

\_\_\_\_\_  
(Name and Operational Number of the Bureau Unit)

Number of the Unique Account of the Order Issuer

**1211965569153**

**Debit my Account**

**Turhanic Samir**

**Turhanija 2, Sarajevo**

\_\_\_\_\_  
(Name and surname or brand name of the Order Issuer)

**Claims subscribed**

**Name of Subscribed Enterprise**

**Tinki Komerc**

- 1 General Claims KM **1,000,00**
- 2 Frozen foreign savings KM
- 3 Military Wages KM **15,000,00**
- 4 Restitution KM
- 5 Pension Arrears KM

**Authorized Agency for Privatization**

**CPA Sarajevo**

**JMB of Subscribed Enterprise**

**1234567**

Code of the Agency

**0060/96**

\_\_\_\_\_  
(Signature and ID number  
or seal and signature of the Order Issuer)

**CONTROL MARK**

(Date and place)

**27/10/99  
Sarajevo**

Form P-3

PAYMENT BUREAU OF THE FEDERATION B+H

SPECIAL PAYMENT FORM

RECEIPT

□ □ □ □ □ □

Post Office/Bank number

Paid by TURHANIC SAMIR

TURHANIIJA 2, SARAJEVO

(Name and address of payee)

Purpose of payment

SUSCRIPTION OF SHARES OF ENTERPRISE

TIKI COMMERCE

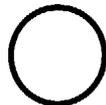
Recipient CANTONAL AGENCY FOR PRIVATIZATION

SARAJEVO

(Name and address of recipient)

(Stamp and signature)

Control code



In Sarajevo , on 27/01/99

Copies 1 Receipt  
3 Report on payment

2 Report to the Competent Body  
4 Report for Archives

JMB  
1234567890123

Way of  
exec

Code

□ □ □ □ □ □

□ □ □ □ □ □

\_\_ KM \_\_

1,000 00

Account number

11111-222-33 (AGENCY'S ACCOUNT NUMBER)

Refer to  
number

09 (code  
of agency)

6666666 (enterprise JMB)

(Fee charged)

(Registry number)

***Annex 14 Subscription Receipt***

### SUBSCRIPTION RECEIPT

Payment Bureau \_\_\_\_\_

Date \_\_\_\_\_

Name of the enterprise for which the shares were subscribed \_\_\_\_\_

JMB of the enterprise \_\_\_\_\_

Name of subscriber \_\_\_\_\_

JMB of subscriber \_\_\_\_\_

Means of payment (in KM)

GENERAL CLAIMS SUBSCRIBED	FROZEN FOREIGN CURRENCY CLAIMS SUBSCRIBED	UNPAID MILITARY WAGES CLAIMS SUBSCRIBED	UNPAID PENSION CLAIMS SUBSCRIBED	RESTITUTION CLAIMS SUBSCRIBED	CASH SUBSCRIBED

*Annex 15 Control list of transactions*

ZPP \_\_\_\_\_

Date \_\_\_\_\_

**Control list of transactions**

	Name and JMB number of subscriber	JMB number of enterprise	Amount of subscribed claims					Paid in cash
			General Claims	Frozen foreign Savings	Unpaid military wages	Pension arrears	Restitution	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

\_\_\_\_\_  
Name of Teller

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Control Officer

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

***Annex 16 Report on finalizing cash and  
claims payments***

Federation of Bosnia and Herzegovina

THE PAYMENTS BUREAU \_\_\_\_\_

REPORT ON FINALIZING PAYMENTS OF SHARES IN CLAIMS AND CASH FOR SUCCESSFULLY OFFERED ENTERPRISES FROM THE AREA OF AUTHORITY OF THE PRIVATIZATION AGENCY \_\_\_\_\_

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Number	NAME OF ENTERPRISE	JMB NUMBER OF ENTERPRISE	TOTAL CLAIMS TRANSFERRED TO CUMULATIVE ACCOUNT	TOTAL CASH FOR TRANSFER TO REGULAR ACCOUNT OF AUTHORIZED AGENCY

Note LIST ALL ENTERPRISES WITH SUCCESSFUL POS

PREPARED BY \_\_\_\_\_

DATE \_\_\_\_\_

*Annex 17 Report on return of claims*

Federation of Bosnia and Herzegovina

THE PAYMENTS BUREAU \_\_\_\_\_

REPORT ON EXECUTED TRANSACTIONS OF RETURN OF CLAIMS FOR UNSUCCESSFULLY OFFERED ENTERPRISES FROM THE  
AREA OF AUTHORITY OF THE PRIVATIZATION AGENCY \_\_\_\_\_

Number	NAME OF ENTERPRISE	JMB NUMBER OF ENTERPRISE	TOTAL CLAIMS RETURNED TO CITIZENS ACCOUNTS

Note LIST ALL ENTERPRISES WITH EXECUTED RETURNED TRANSACTIONS

PREPARED BY \_\_\_\_\_

DATE \_\_\_\_\_