

Having believed that it is the duty of the members of the Council of the Central Bank of Montenegro to accept the principles and/or the rules to which they commit themselves during the performance of their functions and duties;

Having considered that the adoption of the code of ethics will strengthen the accountability of the Council members;

Having recognised the importance that the rules of conduct containing ethical norms from the code of ethics should be observed;

Pursuant to Article 44 paragraph 2 item 19 of the Central Bank of Montenegro Law (OGM 40/10, 6/13 and 70/17), at its meeting held on 21 July 2022, the Council of the Central Bank Montenegro passed the following

## **CODE OF ETHICS**

### **FOR THE MEMBERS OF THE CENTRAL BANK OF MONTENEGRO COUNCIL**

#### **I. BASIC PROVISIONS**

##### **Subject matter**

###### **Article 1**

The code of ethics for the members of the Central Bank of Montenegro Council (hereinafter: Code of Ethics) establishes the ethical principles and ethical rules of professional conduct that the members of the Council of the Central Bank of Montenegro (hereinafter: the Council) should observe when exercising their functions.

##### **Aim**

###### **Article 2**

The aim of this Code of Ethics is to preserve, affirm, and strengthen the independence and reputation of the Council and the Central Bank of Montenegro (hereinafter: the Central Bank), as well as to maintain and improve citizens' trust in the Council and the Central Bank.

By observing the ethical principles and/or the ethical rules established under this Code of Ethics, the members of the Council shall protect the credibility and reputation, as well as the public's trust in the integrity and impartiality of the Council.

#### **II. ETHICAL PRINCIPLES**

##### **Definition of ethical principles**

###### **Article 3**

Ethical principles, within the meaning of this Code of Ethics, mean the fundamental principles on which ethical rules are based and which serve to shape ethical and generally accepted behaviour.

## **Principle of professionalism and integrity**

### **Article 4**

In performing their function, the Council members shall behave conscientiously and responsibly, in accordance with the law, other regulations and rules of the profession, including acting within the professional ethics and integrity framework.

Acting within the professional ethics and integrity framework means seriousness and responsibility, as well as conscientiousness in performing the function, prioritising the objectives and interests of the Central Bank in the performance of the function over personal attitudes and interests, as well as the readiness of the Council members to be held accountable for their actions and behaviour, in accordance with the law.

## **Principle of personal independence**

### **Article 5**

A Council member shall preserve personal independence with their behaviour, thereby contributing to the independence of the Central Bank.

Personal independence means that a member of the Council shall not receive nor seek instructions from government authorities or any other authority and organisation or any other person when performing their function.

A Council member shall communicate with third parties, and particularly with representatives of credit and financial institutions, in a way that ensures neutrality and equal treatment by the member in relation with these parties, avoiding behaviour that could be considered as granting benefits to third parties, including benefits of a business nature, or enabling other benefits.

A Council member shall inform the Council of any attempt of unlawful influence by other persons that is related to the performance of their function.

## **Principle of respect**

### **Article 6**

When performing their function, a Council member shall respect the dignity, moral values, diversity, professional knowledge, commitment and work of other members of the Council, employees of the Central Bank, as well as other persons with whom they cooperate with the utmost care and sense of personal responsibility.

A Council member will take care in every situation not to degrade the function they perform nor harm the reputation of other members of the Council and the reputation of the Central Bank with their behaviour, written and spoken words.

## **Principle of zero tolerance for corruption and other irregularities**

### **Article 7**

Having regard that the Central Bank has zero tolerance for accepting and offering bribe (corruption) as well as any other form of abuse of authority or irregularities which may or may not result in financial damage to the Central Bank but may cause reputational or other damage to the Central Bank, any activity and behaviour that could lead the other party to think that a bribe is being sought or offered shall be prohibited.

### **III. ETHICAL RULES**

#### **Definition of ethical rules**

##### **Article 8**

Ethical rules, within the meaning of this Code of Ethics, implies rules that elaborate ethical principles with a view to defining ethical and generally accepted behaviours.

#### **Expectations**

##### **Article 9**

The Council members are expected:

- 1) to read, understand and observe this Code of Ethics and the established rules;
- 2) that their conduct in exercising their function positively influences the image and reputation of the Central Bank;
- 3) to observe the established ethical rules when exercising their function;
- 4) to be aware of the fact that the failure to comply with the established ethical rules negatively affects not only the reputation of the Central Bank but also the reputation of employees of the Central Bank.

#### **Tone at the top and tune in the middle**

##### **Article 10**

A Council member should be an example of a professional and conscientious performance of the function, in accordance with legal powers and generally accepted governance rules, as well as to:

- 1) actively contribute to raising awareness of the principles of integrity and professional ethics through their behaviour and promote the ethical values established by this Code of Ethics;
- 2) create an environment where employees feel comfortable to express their concerns or dilemmas, ask questions or seek advice;
- 3) respond to questions or doubts raised by employees either by giving advice or providing guidance or by referring to employees who can provide an adequate answer or advice.

#### **Conflict of interest**

##### **Article 11**

Pursuant to the law, a Council member shall act in such a way that they do not put their personal interest or the interest of persons connected with them before the interests of the Central Bank.

Personal interest, within the meaning of this Code of Ethics, means ownership and other financial or non-financial interest of a Council member or a person connected with them.

A connected person, within the meaning of this Code of Ethics, is considered a relative of a member of the Council in the lineal and collateral line up to the second degree of kinship, an in-law relative up to the first degree of kinship, married and common-law spouse, adoptive parent and adopted child, a member of a joint household, other natural or legal person with which the Council member establishes or has established a business relationship.

Pursuant to the law, a Council member that is in any way connected with the subject matter of decision-making or who is indirectly or directly interested in that subject matter shall declare this

interest at the beginning of the Council meeting and shall not participate in the discussion or voting on the matter.

### **Prevention of corruption**

#### **Article 12**

When exercising their function, the Council members shall avoid any behaviour that could be perceived as an act of corruption.

A member of the Council who becomes aware of or suspects the corruption shall report it in accordance with the law.

### **Prohibition of receiving gifts**

#### **Article 13**

A member of the Council may not receive money, securities or precious metal, regardless of their value, that are in any way connected with the exercising of their function.

A Council member may only receive protocol and convenient gifts. A gift, within the meaning of this Code of Ethics, means an item, right or service obtained and/or performed without compensation and any other benefit that is given to a Council member or a person connected with the Council member that is in connection with the exercising of their function.

A protocol gift, within the meaning of this Code of Ethics, is considered a gift from a representative of another country or an international organisation given during a visit, guest appearance or on another occasion, as well as other gifts given on similar occasions.

A convenient gift, within the meaning of this Code of Ethics, means a gift worth up to 50 euros. If a member of the Council receives several convenient gifts from the same donor during one year, the total value of these gifts may not exceed the amount of 50 euros, and if during that time the Council member receives convenient gifts from several donors, the value of these gifts may not exceed the amount of 100 euros.

The prohibition and/or limits under paragraphs 1, 2, and 5 above shall also apply to married and common-law spouses and children of a member of the Council if they live in a joint household if the acceptance of money, securities or precious metals and gifts can be linked in any way to the performance of function of the Council member.

A Council member who has been offered a gift that they are not allowed to accept shall reject the offered gift and/or inform the gift donor that they cannot accept the gift, and the member shall prepare a written report on the offered gift and submit it to the Council within eight days of the offer being made.

If the Council member cannot refuse the gift nor return it to the donor, the gift will be handed over to the Central Bank.

Members of the Council who are not employees of the Central Bank shall notify the Secretary of the Council of all gifts they have been offered and those they have accepted.

## **Confidentiality and maintenance of information and data**

### **Article 14**

The Council members shall maintain the confidentiality of information and data that constitute a secret pursuant to the law, a Central Bank regulation or another act, and they may make them available to third parties under the conditions established by that law or regulation.

The Council members shall also maintain confidential other information and data about the business of the Central Bank and the legal entity whose business it supervises and/or to whom it provides services, which they learn about in the performance of their functions, and whose communication and/or disclosure could harm the reputation and interests of the Central Bank.

Obligation to maintain confidential information and data under paragraphs 1 and 2 above shall continue after the expiry of the term of office of the Council members.

## **Prohibition of use and/or abuse of information and data**

### **Article 15**

A member of the Council may not use the information and data from Article 14 herein for their own account or for the account of third parties nor for consultation when entering into private financial transactions with third parties nor may they encourage third parties to enter into private financial transactions.

The restriction under paragraph 1 above shall also apply to other information at the disposal of the Central Bank which has not been published and/or is not available to the public, including particularly market-sensitive information.

Market-sensitive information under paragraph 2 above is information that has not been published and which, if it had been published, would probably have had a significant impact on prices on the financial and/or other markets.

## **Public appearances**

### **Article 16**

When invited to appear in the media, a Council member shall refrain from interviews, disclosing and/or confirming information that has not been publicly announced and which concerns the operations and activities of the Central Bank.

During private or unofficial meetings with representatives of the media, a Council member shall remain sustained on all issues concerning the operations and activities of the Central Bank, taking into account the positions of the Central Bank.

When participating in scientific and academic activities, a Council member shall clearly emphasize that they are participating in a personal capacity and that their position does not represent the position of the Central Bank.

When making public statements on an issue within the authority of the Central Bank, a Council member shall take into account the Council's position, and if the Council has not taken a position on the issue, the Council member must explicitly state that they are expressing their own personal views, which do not necessarily represent the position of the Council or the Central Bank.

A member of the Council shall use social media and internet portals in a way that does not harm the interests or reputation of the Central Bank.

When using social media and internet portals in connection with issues related to the operations and activities of the Central Bank, a Council member shall emphasize that they are expressing their personal position, observing thereby the regulations governing personal data protection and data confidentiality.

#### **Employment after expiry of the term of office**

##### **Article 17**

In accordance with the law, a Council member may be a member of a body or be employed in a credit institution or other legal entity subject to Central Bank supervision within the period of 12 months following the expiry of their term of office, subject to the approval of the Council.

#### **IV. REPORTING THE CODE OF ETHICS VIOLATIONS**

##### **Article 18**

A member of the Council shall report to the Council every situation in which a violation of this Code of Ethics could have occurred or has occurred. In case of ambiguities or dilemmas regarding the application of certain provisions of the Code of Ethics, the Council member will contact the Cabinet of the Governor for opinion regarding the actions in the concrete situation.

#### **V. PUBLICATION OF THE CODE OF ETHICS**

##### **Publication of the Code of Ethics**

##### **Article 19**

This Code of Ethics is published on the website of the Central Bank.

##### **Declaration**

##### **Article 20**

Upon taking the office, Council members sign a declaration that they will act in accordance with the provisions of this Code of Ethics during the exercising of their function.

The form of the declaration from paragraph 1 above is attached herewith and forms an integral part thereof.

The signed declaration from paragraph 1 above shall be permanently kept at the Central Bank.

## **VI. TRANSITIONAL AND FINAL PROVISIONS**

### **Signing the declaration by the Council member whose term of office is underway**

#### **Article 21**

A member of the Council whose term of office is underway shall sign the declaration under Article 20 herein within seven days following the date of entry into force of this Code of Ethics.

### **Termination of application of the Ethical Framework**

#### **Article 22**

The application of the Ethical Framework as of 7 July 2018 shall be repealed from the date of entry into force of this Code of Ethics.

### **Entry into force**

#### **Article 23**

This Code of Ethics shall enter into force on the day of its passing.

**CENTRAL BANK OF MONTENEGRO COUNCIL**

**No. 0101- 5344-3/2022**

**Podgorica, 21 July 2022**

**CHAIRMAN**

**G O V E R N O R**

**Radoje Žugić, m.p.**

**CENTRAL BANK OF MONTENEGRO COUNCIL**

**DECLARATION OF COMPLIANCE WITH THE CODE OF ETHICS FOR THE MEMBERS OF THE CENTRAL  
BANK OF MONTENEGRO COUNCIL**

I hereby confirm that I have familiarised myself with the content of the Code of Ethics for the members of the Central Bank of Montenegro Council no. 0101-5344-3/2022 as of 21 July 2022 and that I will act in accordance with the established ethical principles and rules of conduct, as well as that I accept responsibility for the non-compliance therewith.

In Podgorica, on \_\_\_\_\_

\_\_\_\_\_  
**(Name and Surname)**

\_\_\_\_\_  
**(Signature)**