

Pursuant to Article 44 paragraph 2 items 3 and 10 of the Central Bank of Montenegro Law (OGM 40/10, 46/10, 06/13, 70/17), the Council of the Central Bank of Montenegro, at its meeting held on 22 October 2020, passed the following

DECISION

amending the Decision on interim measures to mitigate negative impact of the communicable disease COVID-19 epidemic on the financial system

1. In the Decision on interim measures to mitigate negative impact of the communicable disease COVID-19 epidemic on the financial system (OGM 80/20), after item 2 a new item shall be added to read:

“**2a.** Natural persons – loan beneficiaries of banks shall be entitled to a moratorium on loan repayment for a period of six months where:

- their loans have not been past due more than 90 days as at 31 December 2019 and were not classified as of that date into the category of non-performing assets,
- their employment was terminated as at 31 March 2020 or as at later date as a result of adverse effects of the communicable disease COVID-19 epidemic.

The moratorium referred to in paragraph 1 of this item shall include interim suspension of all payments of obligations on the basis of the loan (principal, interest rates, default interests, fees, and the like).

For the loan beneficiaries to which moratorium is introduced, the repayment period of the loan shall be extended for the period of moratorium, unless otherwise agreed between the bank and the loan beneficiary.

The user of moratorium shall be entitled to choose one of the following manners for interest payment which is calculated during the moratorium:

- 1) interest payment during the moratorium in accordance with the agreed loan repayment schedule;
- 2) payment of the total amount of accrued but unpaid interest during the moratorium upon the expiry of the moratorium, or
- 3) credit the accrued but unpaid interest during the moratorium to the principal amount of debt upon the expiry of moratorium.

For the calculation of interest rate during the moratorium, and for further loan repayment, the banks shall not negotiate nominal interest that exceeds the nominal interest rate referred to in the loan agreements to which the moratorium applies.

During the moratorium, the bank shall not calculate default interest rate on matured outstanding loan receivables or initiate enforcement proceedings or enforced collection or take other legal actions to collect the receivables.

A loan beneficiary, who intends to exercise the right to a moratorium referred to in paragraph 1 of this item, shall provide the bank, electronically or in writing, an application for introducing the moratorium.

A bank shall, no later than 15 days following that of the receipt of the application referred to in paragraph 7 of this item, take all actions necessary to implement the moratorium, including the entering into annex to the agreement with loan beneficiary – the applicant.

All expenses with regard to the introduction and implementation of the moratorium (loan processing, entering into annex to the collateral agreement, verification of the agreement, and the like) shall be borne by the bank.“

2. After item 4 a new title and new item shall be added to read:

“Restructuring of loans granted to natural persons

4a. A bank shall, upon the request of loan beneficiary which is a natural person, approve the change in the loan repayment plan by extending the deadline for loan repayment if the salary of the loan beneficiary as at 31 March 2020 or as at later date was reduced by at least 10% as a result of negative effects of communicable disease COVID-19 outbreak.

The deadline for the loan repayment shall be extended to a loan beneficiary referred to in paragraph 1 of this item whose net salary before the reduction amounted to EUR 550.00 or more and after the reduction the unencumbered portion of salary amounted to at least EUR 220.00, in a way that the amount of the unencumbered portion of salary is not lower than EUR 220.00 after the amended repayment plan, unless the bank and the loan beneficiary agree otherwise.

The deadline for the loan repayment shall be extended to a loan beneficiary referred to in paragraph 1 of this item whose net salary before the reduction amounted less than EUR 550.00, in a way that after the amended repayment plan the amount of the unencumbered portion of salary is not lower than the amount that the loan beneficiary was entitled to immediately before the reduction of salary, unless the bank and the loan beneficiary agree otherwise.

In the event of restructuring of cash loans granted to natural persons referred to in paragraph 1 of this item, limits related to the deadlines of the loan repayment specified in the Decision on Macroprudential Measures Relating to Retail Banking Loans (OGM 58/19) shall not apply.

A loan beneficiary that intends to exercise the right referred to in paragraph 1 of this item shall provide the bank, electronically or in writing, an application requesting the amendments to be made to loan repayment plan.

A bank shall, no later than 15 days following that of the receipt of the application referred to in paragraph 5 of this item, take all actions necessary to amend the loan repayment plan, including the entering into annex to the agreement with loan beneficiary.

All expenses with regard to the introduction of new repayment plan (loan processing, entering into annex to the collateral agreement, verification of the agreement, and the like) shall be borne by the bank.

In the process of assets classification and allocation of loan loss provisions, the bank may treat a loan restructured in accordance with paragraph 1 of this item as a new loan, if the loan of the loan beneficiary has not been past due more than 90 days as at 31 December 2019 and was not classified as of that date into the category of non-performing loans.

3. After item 8 a new item shall be added to read:

“8a. During the effectiveness of this Decision, a bank may, when calculating matured liabilities referred to in Article 8 paragraph 2 item 4 of the Decision on Minimum Standards for Liquidity Risk Management in Banks (OGM 60/08), include 20% of demand deposits instead of 30% in the calculation of such liabilities.”

4. After item 12 a new item shall be added to read:

“12a. Provision of item 2a of this Decision shall apply *mutatis mutandis* to micro-credit financial institutions and beneficiaries of their loans, and to leasing companies and beneficiaries of their services.”

5. The Form COV–RM, which is attached to the Decision on interim measures to mitigate negative impact of the communicable disease COVID-19 epidemic on the financial

system (OGM 80/20), shall be replaced by a new form which is attached to this Decision and makes an integral part thereof.

6. This Decision shall enter into force on the eighth day following that of its publication in the Official Gazette of Montenegro“.

THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO

Decision no. 0101-6230-2/2020

Podgorica, 22 October 2020

CHAIRMAN

G O V E R N O R,

Radoje Žugić, m.p.

Report on moratorium, new and restructured loans

As at

Form COV- RM

(Bank's name)

In EUR
thousand

1.1.	MORATORIUM for the tourism sector and agriculture, forestry and fishing sector	Total number of debtors	Number of sub-account	Amount
1.1.1.	c			
1.1.2.	Entrepreneurs			
1.1.3.	SME up to EUR 100 thousand			
1.1.4.	SME over EUR 100 thousand			
1.1.5.	Other business undertakings			
1.1.6.	Total	0	0	0

1.2.	MORATORIUM for NATURAL PERSONS that meet the requirements referred to in item 2a of the effective Decision on interim measures	Total number of debtors	Number of sub-account	Amount
1.2.1.	Natural persons			

1.3.	MORATORIUM under item 13 of the effective Decision on interim measures	Total number of debtors	Number of sub-account	Amount
1.3.1.	Natural persons			
1.3.2.	Entrepreneurs			
1.3.3.	SME up to EUR 100 thousand			
1.3.4.	SME over EUR 100 thousand			
1.3.5.	Other business undertakings			
1.3.6.	Total	0	0	0

2.	NEW LOANS for the tourism sector and agriculture, forestry and fishing sector under item 3 of the effective Decision on interim measures	Number of submitted loan applications	Total number of debtors to which loan was granted	Number of granted loan sub-accounts	Amount
2.1.	Natural persons				
2.2.	Entrepreneurs				
2.3.	SME up to EUR 100 thousand				
2.4.	SME over EUR 100 thousand				
2.5.	Other business undertakings				
2.6.	Total	0	0	0	0

3.	RESTRUCTURED LOANS for the tourism sector and agriculture, forestry and fishing sector under item 4 of the effective Decision on interim measures	Number of submitted applications for restructuring	Total number of debtors to which loan has been restructured	Number of restructured sub-accounts	Amount
3.1.	Natural persons				
3.2.	Entrepreneurs				
3.3.	SME up to EUR 100 thousand				
3.4.	SME over EUR 100 thousand				
3.5.	Other business undertakings				
3.6.	Total	0	0	0	0

4.	RESTRUCTURED LOANS OF NATURAL PERSONS that meet the requirements referred to in item 4a of the effective Decision on interim measures	Total number of debtors	Number of sub-account	Amount
4.1.	Natural persons			

5	RESTRUCTURED OTHER LOANS under item 5 of the effective Decision on interim measures	Total number of debtors	Number of sub-account	Amount
5.1.	Natural persons			
5.2.	Entrepreneurs			
5.3.	SME up to EUR 100 thousand			
5.5.	SME over EUR 100 thousand			
5.5.	Other business undertakings			
5.6.	Total	0	0	0

6.	RESTRUCTURED CASH UNSECURED LOANS OF NATURAL PERSONS under item 6 of the effective Decision on interim measures	Total number of debtors	Number of sub-account	Amount
6.1.	Natural persons			

Note:

Loans shown under # 4.1. and 5.1. does not include loans shown under # 6.1.