

Pursuant to Article 44 paragraph 2 items 3 and 10 of the Central Bank of Montenegro Law (OGM 40/10, 06/13, 70/17), the Council of the Central Bank of Montenegro, at its meeting held on 28 December 2021, passed the following

**DECISION**  
**ON INTERIM MEASURES TO MITIGATE NEGATIVE IMPACT OF THE**  
**COMMUNICABLE DISEASE COVID-19 EPIDEMIC ON THE FINANCIAL SYSTEM**

**I. BASIC PROVISION**

1. This decision establishes the interim measures that refer to the treatment of loans granted by credit institutions as well as other measures for reducing negative effects of the communicable disease COVID-19 epidemic on the operations of credit institution and maintaining stability of the financial system as a whole.

**II. RESTRUCTURING OF LOANS GRANTED TO NATURAL PERSONS**

2. A credit institution shall, upon the request of a loan beneficiary which is a natural person, approve the change in the loan repayment plan by extending the deadline for loan repayment for a maximum of five years if, as a result of negative impact of communicable disease COVID-19 epidemic, the employment of the loan beneficiary has been terminated, the salary of the loan beneficiary has been reduced by at least 10% or the loan beneficiary has not been paid a net salary more than three months before the submission of the application in accordance with this item.

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 250.00, in a way that the amount of the unencumbered portion of the salary is not lower than EUR 250.00 after the amended repayment plan, unless the loan beneficiary and the credit institution 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 loan beneficiary and the credit institution agree otherwise.

In the event of restructuring of cash loans granted to natural persons referred to in paragraph 1 of this item, the limits related to the deadlines of the loan repayment specified in the decision governing macroprudential measures relating to retail loans granted by credit institutions shall not apply.

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

A credit institution 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 the loan beneficiary.

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

In the process of assets classification and allocation of loan loss provisions, the credit institution 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 has not been classified into the category of non-performing loans as of that date.

3. During the effectiveness of this Decision, credit institutions may restructure loans to which, on the effective date of this Decision, the decision governing macroprudential measures relating to retail loans granted by credit institutions is applied, other than loans referred to in item 2 of this Decision, including the possibility of arranging an additional repayment period up to five years, but in the manner that the final maturity is no longer than 10 years and also in the case where a loan is not secured by the collateral referred to in that decision, if:
  - 1) as at 31 December 2019, the loan of the loan beneficiary has not been past due more than 90 days, and the loan has not been classified as non-performing loan as at that day, and the loan has not been restructured in 2020 and 2021;
  - 2) the loan beneficiary may provide documents to prove to the credit institution that their financial position has deteriorated, or will be deteriorated in the near future, due to the adverse effects of the communicable disease COVID-19 epidemic, and
  - 3) the credit institution assesses that the credit capacity of the loan beneficiary will improve upon the loan restructuring.

The loan restructured under the conditions referred to in paragraph 1 of this item may be treated as a new loan in the process of classification.

### **III. OTHER MEASURES**

4. Credit institutions shall be prohibited from paying out dividends to shareholders, except if they are paid out in the form of shares of the credit institution.
5. During the effectiveness of this Decision, a credit institution may, in the process of assessing the credit capacity of loan beneficiary and classifying asset items into the corresponding classification category or subcategory, exclude all or individual criteria set in accordance with Article 12 paragraph (3) of the Decision on minimum standards for risk management in credit institutions (OGM 134/21) that refer to 2020.
6. The fee that the credit institutions are obliged to pay to the Central Bank of Montenegro for the use of the prescribed amount of reserve requirement that is not repaid the same day shall be reduced by 50%, from 12% to 6% at annual level.

### **IV. REPORTING TO THE CENTRAL BANK OF MONTENEGRO**

7. Credit institutions shall submit monthly reports to the Central Bank of Montenegro on the implementation of measures referred to in items 2 and 3 of this Decision in electronic form, no later than 15<sup>th</sup> day in the month for the previous month.
8. The reports referred to in item 7 of this Decision shall be submitted using the Template COV-RM, which is attached to and makes an integral part of this Decision.

### **V. TRANSITIONAL AND CLOSING PROVISIONS**

9. The loans which have been granted and restructured in accordance with the Decision on Interim Measures to Mitigate Negative Impact of the Communicable Disease COVID-19 Epidemic on the Financial System (OGM 80/20, 105/20, 24/21, 33/21, 45/21, 53/21, 116/21), up until the effective date of this Decision, shall be repaid in accordance with the specified repayment plans on the basis of agreements entered into in accordance with that decision or the annexes to the agreements entered into in accordance with this Decision.

10. Credit institutions shall report to the Central Bank of Montenegro on the loans restructured in accordance with the Decision on Interim Measures to Mitigate Negative Impact of the Communicable Disease COVID-19 Epidemic on the Financial System (OGM 80/20, 105/20, 24/21, 33/21, 45/21, 53/21, 116/21), in electronic form, using the template referred to in item 8 of this Decision, no later than 15<sup>th</sup> day in the month for the previous month.
11. This decision shall remain in effect until the passing of the decision of the Central Bank of Montenegro on its cessation.
12. The Decision on Interim Measures to Mitigate Negative Impact of the Communicable Disease COVID-19 Epidemic on the Financial System (OGM 80/20, 105/20, 24/21, 33/21, 45/21, 53/21, 116/21) shall cease to have effect as of the day of the effectiveness of this Decision.
13. This Decision shall enter into force on the day following that of its publication in the Official Gazette of Montenegro, and it shall apply as of 1 January 2022.

**THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO**

Decision number: 0101- 9053 -3/2021  
Podgorica, 28 December 2021

**CHAIRMAN  
GOVERNOR,**

**Radoje Žugić, m.p.**

**ANNEX****Report on restructured loans**

As at

Template COV- RM

(credit institution's name)

In EUR thousand

1.	<b>RESTRUCTURED LOANS OF NATURAL PERSONS</b> referred to in item 2 of this Decision whose salary has been reduced by at least 10%	Total number of debtors	Number of sub-account	Amount
1.1.	Cash unsecured loans of natural persons			
1.2.	Other loans of natural persons			
<b>1.3.</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

2.	<b>RESTRUCTURED LOANS OF NATURAL PERSONS</b> referred to in item 2 of this Decision who have not been paid a net salary more than three months before submitting the application for restructuring	Total number of debtors	Number of sub-account	Amount
2.1.	Cash unsecured loans of natural persons			
2.2.	Other loans of natural persons			
<b>2.3.</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

3.	<b>RESTRUCTURED LOANS OF NATURAL PERSONS</b> referred to in item 2 of this Decision whose employment has been terminated	Total number of debtors	Number of sub-account	Amount
3.1.	Cash unsecured loans of natural persons			
3.2.	Other loans of natural persons			
<b>3.3.</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>4.</b>	<b>RESTRUCTURED CASH UNSECURED LOANS OF NATURAL PERSONS</b> referred to in item 3 of the Decision	<b>Total number of debtors</b>	<b>Number of sub-account</b>	<b>Amount</b>
4.1.	Natural persons			
<b>5.</b>	<b>RESTRUCTURED LOANS</b> referred to in the Decision on Interim Measures to Mitigate Negative Impact of the Communicable Disease COVID-19 Epidemic on the Financial System (OGM 80/20, 105/20, 24/21, 33/21, 45/21, 53/21, 116/21)	<b>Total number of debtors</b>	<b>Number of sub-account</b>	
<b>5.1.</b>	<b>Restructured loans of THREATENED INDUSTRIES</b> referred to in item 4 of the Decision on Interim Measures to Mitigate Negative Impact of the Communicable Disease COVID-19 Epidemic on the Financial System (OGM 80/20, 105/20, 24/21, 33/21, 45/21, 53/21, 116/21)	<b>0</b>	<b>0</b>	<b>0</b>
5.1.1.	Tourism sector and agriculture, forestry and fishing			
5.1.2.	Other categories of the threatened industries referred to in Annex 2 to the Decision on Interim Measures to Mitigate Negative Impact of the Communicable Disease COVID-19 Epidemic on the Financial System (OGM 80/20, 105/20, 24/21, 33/21, 45/21, 53/21, 116/21)			
5.1.3.	Loan beneficiaries whose total revenue in 2020 was at least 50% lower compared to 2019 (specified in accordance with item 2 paragraphs 1 and 11 of the Decision on Interim Measures to Mitigate Negative Impact of the Communicable Disease COVID-19 Epidemic on the Financial System (OGM 80/20, 105/20, 24/21, 33/21, 45/21, 53/21, 116/21))			
<b>5.2.</b>	<b>Restructured loans of NATURAL PERSONS</b> referred to in item 4a of the Decision on Interim Measures to Mitigate Negative Impact of the Communicable Disease COVID-19 Epidemic on the Financial System (OGM 80/20, 105/20, 24/21, 33/21, 45/21, 53/21, 116/21)	<b>0</b>	<b>0</b>	<b>0</b>
5.2.1.	Cash unsecured loans of natural persons			
5.2.2.	Other loans of natural persons			
<b>5.3.</b>	<b>Restructured OTHER LOANS</b> referred to in item 5 of the Decision on Interim Measures to Mitigate Negative Impact of the Communicable Disease COVID-19 Epidemic on the Financial System (OGM 80/20, 105/20, 24/21, 33/21, 45/21, 53/21, 116/21)	<b>0</b>	<b>0</b>	<b>0</b>
5.3.1.	Natural persons			
5.3.2.	Legal persons			
<b>5.4.</b>	<b>Restructured CASH UNSECURED LOANS OF NATURAL PERSONS</b> referred to in item 6 of the Decision on Interim Measures to Mitigate Negative Impact of the Communicable Disease COVID-19 Epidemic on the Financial System (OGM 80/20, 105/20, 24/21, 33/21, 45/21, 53/21, 116/21)			
<b>5.5.</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>6.</b>	<b>Application of item 5 of this Decision during the classification of debtors' exposures</b>	<b>Total number of debtors</b>	<b>Number of sub-account</b>	<b>Amount</b>
6.1.	Natural persons – balance sheet exposures			
6.2.	Natural persons – off-balance sheet exposures			
6.3.	Legal persons – balance sheet exposures			
6.4.	Legal persons – off-balance sheet exposures			
<b>6.5.</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>7.</b>	<b>TOTAL RESTRUCTURED LOANS referred to in items 2 and 3 of this Decision (1+2+3+4)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8.</b>	<b>TOTAL RESTRUCTURED LOANS (5+7)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Note:**

Loans shown under # 1.1, 2.1 and 3.1 do not include loans shown under # 4.1.