

## **CENTRAL BANK OF MONTENEGRO LAW**

**(OGM 040/10 of 22 July 2010, 046/10 of 6 August 2010, 006/13 of 31 January 2013, 070/17 of 27 October 2017, 125/23 of 31 December 2023)**

### **I. BASIC PROVISIONS**

#### **Subject matter**

##### **Article 1**

This Law shall govern the status, objectives, functions, operations and organisation of the Central Bank of Montenegro.

#### **Meaning of terms**

##### **Article 2**

Deleted. (*Law amending the Central Bank of Montenegro Law, OGM 70/17*)

#### **The Central Bank status**

##### **Article 3**

The Central Bank of Montenegro (hereinafter: the Central Bank) shall be a legal person. The head office of the Central Bank shall be in Podgorica. The Central Bank shall not be registered in the Central Registry of Economic Entities.

#### **The Central Bank objectives**

##### **Article 4**

The primary objective of the Central Bank shall be to foster and maintain the financial system stability, including fostering and maintaining a sound banking system and safe and efficient payment system.

The Central Bank shall contribute to achieving and maintaining price stability.

The Central Bank shall, without prejudice to the pursuance of its objectives, support the conduct of economic policy of the Government of Montenegro (hereinafter: the Government), acting thereby in accordance with the principles of free and open market and freedom of entrepreneurship and competition.

The Central Bank shall have all powers necessary for the pursuance of the objectives referred to in this Article.

## **The issue of currency and prohibition of lending**

### **Article 5**

The Central Bank shall have the exclusive right to issue banknotes and coins in the event of Montenegro's introduction of its own national currency.

The Central Bank may issue commemorative banknotes and coins which shall not be the legal tender.

The Central Bank may not grant loans, except under the conditions stipulated by this Law.

## **The Central Bank property**

### **Article 6**

The Central Bank shall autonomously acquire, manage, use and dispose of the state property required for the exercising of its functions laid down in the law.

## **The Central Bank independence**

### **Article 7**

The Central Bank shall be independent in pursuing the objectives and exercising the functions laid down in this Law.

The Central Bank, members of its bodies and employees in the Central Bank shall be independent in the performance of their functions and their activities established under this and other laws and they shall not take or seek any instruction from the government bodies and organisations and other bodies and organisations or any other persons.

The government bodies and organisations and other bodies and organisations and other persons shall not exert any influence on the performance and decision-making of the members of the Central Bank bodies and shall not approve, cancel, annul or in any other way influence any decision within the Central Bank's competence.

The provision of paragraph 3 of this Article shall not pertain to the jurisdiction of the courts prescribed by the law.

## **The Central Bank cooperation with government bodies and organisations**

### **Article 8**

The Central Bank may, in pursuing the established objectives and without prejudice to its autonomy and independence, cooperate with the Government and other government bodies and organisations, and take any actions within its competence to promote this cooperation.

The Government shall submit to the Central Bank, at the latter's request, data and information necessary for the achievement of objectives and the exercising of functions of the Central Bank.

The Central Bank shall submit to the Government, at the latter's request, data and information related to the pursuance of the objectives and the exercise of the functions of the Central Bank, when this does not challenge its autonomy and independence, except data and information regarding the entities subject to the Central Bank supervision and/or obligation of secrecy in accordance with the law.

## **International cooperation**

### **Article 9**

The Central Bank may cooperate with other central banks, international financial institutions and organisations (hereinafter: the international financial institutions), which scope of activities is related to the pursuance of the objectives and the exercise of the functions of the Central Bank, and it may be a member of international institutions and participate in their work.

## **The Central Bank seal and the Statute**

### **Article 10**

The Central Bank shall have a seal in accordance with the law governing the state seal and the seals of the government bodies.

The Central Bank shall have the Statute which shall be published in the “Official Gazette of Montenegro”.

## **Credit institution**

### **Article 10a**

A credit institution shall be a legal person whose business is to take cash deposits and other repayable funds from the public and to grant loans for its own account.

The regulations of the Central Bank to be passed pursuant to the powers specified in the law may refer to all or some of the credit institutions.

## **II. CAPITAL OF THE CENTRAL BANK**

### **Capital of the Central Bank**

#### **Article 11**

The capital of the Central Bank shall comprise the initial capital and reserves.

### **Initial capital of the Central Bank**

#### **Article 12**

The Central Bank shall have initial capital in the amount of EUR 50,000,000.

The initial capital of the Central Bank shall be owned by the state.

The initial capital of the Central Bank may not be transferred, pledged or subject to any encumbrance.

The initial capital of the Central Bank may be increased by the amounts to be determined by the Council of the Central Bank.

The increase in the initial capital of the Central Bank shall be provided from the general reserve funds. In the case that the general reserve funds are insufficient to cover the specified increase in the initial capital, the lacking funds may be provided from the Budget of Montenegro.

## **Reserves of the Central Bank**

### **Article 13**

The reserves of the Central Bank shall comprise general, special and revaluation reserves.

General reserves shall be used to cover operating losses of the Central Bank and to increase the initial capital of the Central Bank.

The Central Bank may establish special reserves to be used to cover specific operating costs.

The Central Bank shall establish and maintain the revaluation reserve account to cover unrealised expenses for the positions in currencies other than euro, gold, securities and other assets.

## **III. THE CENTRAL BANK FUNCTIONS**

### **General provisions**

### **Article 14**

The Central Bank:

- 1) shall oversee the maintenance of the stability of the financial system as a whole and pass pertinent regulations and measures;
- 2) shall regulate the operations of credit institutions, issue licenses and grant authorisations to credit institutions and supervise the credit institutions, in accordance with the law;
- 3) shall regulate and carry out activities related to the resolution of credit institutions, in accordance with the law;
- 3a) shall regulate and carry out activities related to the bankruptcy and winding-up of banks, in accordance with the law;
- 4) shall regulate and carry out the payment system operations, in accordance with the law;
- 4a) shall grant authorisations to payment institutions to provide payment services and shall supervise the payment institutions, in accordance with the law;
- 4b) shall grant authorisations to electronic money institutions to issue electronic money and to provide payment services and shall supervise the electronic money institutions, in accordance with the law;
- 4c) shall regulate financial leasing, factoring, purchase of receivables, micro-lending and credit guarantee operations, issue licenses and supervise the persons engaged in these operations, in accordance with the law;
- 4č) shall review business books and other documents related to the operations of a person for whom there is an indication of performing operations without a licence or providing services without an authorisation granted by the Central Bank, in accordance with the law;
- 5) may be a payment system owner and operator and a participant in other payment systems;
- 6) shall issue license to a payment system other than the one it operates and shall supervise and oversee payment systems;
- 7) shall manage the international reserves;
- 7a) shall provide and supply and protect banknotes and coins;
- 8) shall act as the payment and/or the fiscal agent towards specific international financial institutions and may be the representative of Montenegro in international financial institutions;
- 9) shall perform macroeconomic and financial research, forecasts and analyses, including monetary, fiscal and the balance of payments analyses, and may give economic policy recommendations to the Government;
- 10) shall identify, analyse and assess the impact of certain factors on the financial system stability as a whole;

- 11) shall collect and statistically process and publish data and information of importance for the achievement of objectives and the exercise of the functions of the Central Bank, which are in accordance with this Law and the law governing statistics and statistical system;
- 11a) shall carry out the activities related to the protection of rights and interests of clients of credit institutions, users of financial services set out in the law governing financial leasing, factoring, purchase of receivables, micro-lending and credit guarantee operations, consumer loan beneficiaries, users of payment services, and electronic money holders, in accordance with the law;
- 12) shall set up the information system for undisturbed exercise of its functions;
- 13) shall execute transfers in the national and international financial markets;
- 14) shall accept deposits of credit institutions, government bodies and organisations and other persons in accordance with the regulations;
- 15) shall open and maintain accounts for credit institutions, government bodies and organisations, foreign banks, central banks, international financial institutions, organisations donating funds to government bodies and organisations, and other persons in accordance with the law and other regulations, and execute payment transactions for those accounts;
- 16) shall pass regulations and measures in the areas within its powers pursuant to this and other laws;
- 17) shall also perform other activities laid down in this and other laws.

## **1. Monetary and other instruments**

### **Open market operations**

#### **Article 15**

The Central Bank may, in pursuing monetary policy, operate in the financial markets by purchasing, selling and swapping securities and other readily marketable financial instruments, and by purchasing and selling precious metals.

The operations referred to in paragraph 1 of this Article may be performed by concluding spot or forward agreements, swap, netting, repurchase (repo) and other agreements.

The Central Bank shall regulate in more detail the conditions for the performance of the operations referred to in paragraph 1 of this Article.

### **Credit operations**

#### **Article 16**

In the case of liquidity needs of credit institutions, the Central Bank may grant loans to solvent credit institutions against the interest rates that must be higher than the prevailing rates in the market in Montenegro and against adequate collateral.

The Central Bank shall prescribe in more detail the conditions and the method for granting loans referred to in paragraph 1 of this Article.

### **Lender of last resort**

#### **Article 17**

*Deleted. (Law amending the Central Bank of Montenegro Law, OGM 70/17)*

## **Reserve requirement**

### **Article 18**

The Central Bank shall prescribe the obligation for credit institutions to calculate, allocate and maintain reserve requirement, the reserve requirement calculation base, the reserve requirement rate, the manner of holding and time limits for the calculation and allocation of reserve requirement, and the conditions under which the reserve requirement may be used.

The Central Bank may pay compensation to credit institution on the allocated reserve requirement.

A credit institution shall calculate, allocate and/or maintain reserve requirement in the proper manner.

A credit institution that improperly calculates reserve requirement or fails to allocate and/or maintain the reserve requirement within the prescribed time limit shall pay a fee to the Central Bank for the lacking amount.

The compensation and fee referred to in paragraphs 2 and 4 of this Article shall be prescribed by the Central Bank.

## **Other monetary policy measures and instruments**

### **Article 19**

The Central Bank may, in the pursuance of its objectives and the exercise of its functions referred to in this Law, decide on the use of other monetary policy measures and instruments.

The Central Bank shall prescribe the type of the measures and instruments referred to in paragraph 1 of this Article and the manner of their use.

## **2. International reserves of Montenegro**

### **International reserves management**

#### **Article 20**

The Central Bank shall hold and manage the international reserves of Montenegro (hereinafter: the international reserves).

When deciding on the form of investment of the international reserves, the Central Bank shall follow the principles of liquidity and safety of investment.

The Central Bank shall manage the international reserves in the manner that is in compliance with the monetary policy and which ensures undisturbed fulfilment of Montenegro's international obligations.

The Central Bank shall regulate in more detail the international reserves management.

### **Structure of international reserves**

#### **Article 21**

The international reserves shall comprise:

- 1) gold, precious metals and gemstones held by the Central Bank or by a third party for the account of the Central Bank;
- 2) banknotes and coins in convertible foreign currencies held by the Central Bank or by a third party for the account of the Central Bank;
- 3) credit balances payable in a convertible foreign currency that are held in the accounts of the Central Bank with foreign central banks, international financial institutions or credit institutions;

- 4) debt securities denominated in convertible foreign currencies held by the Central Bank or by a third party for the account of the Central Bank;
- 5) forward purchase or repurchase agreements entered into by the Central Bank with or guaranteed by other central banks, credit or financial institutions with head offices outside of Montenegro or international financial institutions, as well as forward and options agreements entered into by the Central Bank with parties, providing the payment in a convertible currency;
- 6) special drawing rights and reserve position held in the accounts of Montenegro with the International Monetary Fund;
- 7) other assets that may, by the nature of their contents, be seen as equivalent to the assets referred to in items 1) to 6) of this paragraph.

The Central Bank shall specify in its guidelines the investment strategy for international reserves management.

### **Opening foreign accounts and other activities**

#### **Article 22**

The Central Bank may open foreign accounts for the purpose of pursuing its objectives and exercising its functions specified under this and other laws.

The Central Bank may carry out all types of banking and financial activities with other central banks, credit institutions, financial institutions with head offices outside of Montenegro, and the international financial institutions.

The Central Bank may purchase and sell foreign securities in primary and secondary markets, in accordance with this Law.

The Central Bank may enter into payment and settlement agreements with foreign clearing institutions.

The Central Bank may enter into agreements referred to in paragraph 4 of this Article on its own behalf and for its own account or for the account of Montenegro.

### **3. Providing and protecting the banknotes and coins and redemption of rare and original currency**

#### **Providing and supplying the banknotes and coins**

#### **Article 23**

The Central Bank shall provide banknotes and coins which are legal tender in Montenegro.

Credit institutions and other persons that have their accounts opened with the Central Bank shall be supplied with banknotes and coins from the Central Bank and shall bear all related expenses.

#### **Authenticity and fitness of banknotes and coins**

#### **Article 24**

Only authentic banknotes and coins that are not damaged, worn-out, made with an error or otherwise unfit for circulation may be put into circulation.

The Central Bank when pursuing the payment system operations, credit institutions and other handlers of banknotes and coins shall check whether the banknotes and coins are authentic and fit for circulation.

Following the checks referred to in paragraph 2 of this Article, the banknotes and coins that are not authentic and are unfit for circulation shall be withdrawn from circulation, replaced and destroyed.

For the purpose of authenticity and fitness checking of banknotes and coins, the Central Bank shall examine whether the credit institutions and other handlers of banknotes and coins act in accordance with paragraph 2 of this Article.

The Central Bank shall prescribe in more detail the method of checking, withdrawal and replacement referred to in paragraphs 2 and 3 of this Article, and the conduct of the examination referred to in paragraph 4 of this Article.

## **Protection of banknotes and coins against counterfeiting**

### **Article 25**

Credit institutions and other handlers of banknotes and coins shall submit to the Central Bank any suspicious sample of banknotes and coins.

The Central Bank shall temporarily confiscate all suspicious samples of banknotes and coins received in pursuing payment system operations.

The Central Bank shall perform technical analysis of suspicious samples of banknotes and coins and it shall cooperate with competent authorities and institutions in Montenegro and abroad on taking and carrying out measures to detect and suppress counterfeiting of banknotes and coins.

The Central Bank shall prescribe the manner of handling suspicious samples of banknotes and coins.

## **Redemption of banknotes and coins**

### **Article 26**

The Central Bank may redeem rare and original banknotes and coins.

## **Reproduction of banknotes and coins**

### **Article 27**

The reproduction and design of objects resembling banknotes, coins, including medals and tokens, cheques, securities and payment cards which are in circulation in Montenegro may be performed in accordance with the approval of the Central Bank.

The Central Bank may prescribe detailed conditions of reproduction, design and distribution of objects referred to in paragraph 1 of this Article.

## **4. Responsibility for the banking system functioning**

### **Powers over credit institutions**

#### **Article 28**

The Central Bank shall, in line with the law, issue licenses and grant authorisations to credit institutions, carry out the supervision of credit institutions, carry out the resolution of credit institutions and perform other activities conferred upon it by the law, and pass regulations and other acts governing the operations and resolution of credit institutions and the establishing the standards of sound and safe operations for credit institutions.

When carrying out the supervision referred to in paragraph 1 of this Article, the Central Bank shall have the right of direct access to business books and other documents of credit institutions, as well as of any other related participants in the activities which are subject to supervision.



## **Submission of data, information and reports**

### **Article 29**

The Central Bank shall prescribe data, information and reports to be submitted by credit institutions to the Central Bank and time limits for their submission.

The credit institutions shall submit to the Central Bank the prescribed data, information or reports within the prescribed time limit.

The Central Bank may disclose the submitted information and data on credit institutions separately, in aggregate form or classified by the credit institutions or by the nature of their business, except the information considered secret in line with the law.

## **Measures against credit institutions**

### **Article 30**

Where a credit institution fails to manage risks to which it is exposed in accordance with the law or in case it acts contrary to the regulations, the Central Bank may impose measures and other obligations, including pecuniary penalties in accordance with the law.

In order to pursue the resolution objectives, the Central Bank may take resolution actions against credit institutions in accordance with the law governing the resolution of credit institutions.

The Central Bank may disclose the information on imposed or taken actions referred to in paragraphs 1 and 2 of this Article.

## **The Central Bank cooperation with foreign supervisory and resolution authorities**

### **Article 31**

With a view to strengthening supervision and resolution of credit institutions, the Central Bank shall cooperate with foreign institutions authorised for the supervision and resolution of credit institutions.

The sharing of information during cooperation referred to in paragraph 1 of this Article shall not be considered a disclosure of secret.

## **5. Payment system operations and payment systems**

### **Powers over payment system operations**

#### **Article 32**

The Central Bank shall, in accordance with the law, grant authorisations to provide payment system services, carry out the supervision of payment service providers and electronic money issuers, pass regulations and other acts regulating the pursuit of business of payment service providers and electronic money issuers and establishing the standards for their safe and sound operations and perform other activities laid down by the law.

### **Opening of Accounts**

#### **Article 33**

A credit institution shall open an account with the Central Bank in accordance with the regulations.

The Central Bank may not open accounts in its books for business undertakings and natural persons, except for its employees.

The Central Bank may open accounts with banks.

## **Payment Systems**

### **Article 34**

The Central Bank shall be the owner, operator, participant and settlement agent of the interbank real-time gross settlement payment system (RTGS system) and it may be an owner and/or operator of a securities settlement system and another payment system, as well as a participant in another payment system.

The Central Bank shall issue licenses to payment systems other than the ones it operates, supervise and oversee their operations, pass regulations governing payment systems, establish rules for payment systems it operates, and perform other activities in accordance with the law.

## **6. Collection, processing and dissemination of data and information, including statistical data and information**

### **Collection, statistical processing and dissemination of data and information**

#### **Article 35**

With a view to pursuing its objectives and exercising its functions specified under this and other laws, the Central Bank shall collect, statistically process and disseminate data and information obtained from the government bodies and organisations, credit institutions and other institutions providing financial services, business undertakings, legal persons, entrepreneurs, and other persons.

Persons referred to in paragraph 1 of this Article shall submit to the Central Bank the requested data and information within specified time limit.

When performing the activities referred to in paragraph 1 of this Article, the Central Bank may cooperate with institutions and bodies of the European Union, the international financial institutions, and other foreign authorities.

The Central Bank shall regulate the type of statistical data and information required for pursuing the objectives and exercising the functions referred to in paragraph 1 of this Article, the manner, format, and time limit for the submission of such data, and determine in more detailed the persons to be responsible for delivering these data to the Central Bank, the measures and procedures for securing and protecting information considered confidential pursuant to the law and other issues relevant for the collection, processing, dissemination and disclosure of statistical data.

The Central Bank may, within its competence, prescribe uniform templates and methods for the collection, processing, and dissemination of processed data referred to in paragraph 1 of this Article.

### **The Central Bank information system**

#### **Article 36**

With a view to efficient attaining of its objectives and exercising its functions, the Central Bank shall develop an automated information system and it may prescribe the manner of connecting credit institutions and other persons to this system, as well as the manner of accessing the system.

## **7. Other activities**

### **Credit registry and other registries**

#### **Article 37**

The Central Bank shall establish and maintain the registry of certain persons' credit indebtedness towards credit institutions and other persons specified in the law or a Central Bank regulation (hereinafter: the Credit Registry).

Credit institutions and other persons referred to in paragraph 1 of this Article shall furnish the Central Bank with data and information required for the maintenance of the Credit Registry.

The Central Bank shall prescribe, by way of a regulation, the type of indebtedness, manner and time limits for the submission of data and information referred to in paragraph 2 of this Article.

Notwithstanding paragraph 1 of this Article, the Credit Registry may also include other data and information required for the consideration of overall indebtedness of certain persons (electricity bills, utility bills, tax payables, foreign bank account liabilities, etc.) that the Central Bank has obtained in accordance with separate contracts signed with the relevant entities.

Credit institutions and other persons may use data and information from the Credit Registry under the conditions and in the manner to be prescribed by the Central Bank.

Credit institutions and other persons shall keep the data and information referred to in paragraph 5 of this Article secret.

The Central Bank may also establish and maintain other registries and establish databases for the purpose of pursuing objectives and exercising functions specified in this and other laws.

The Central Bank shall prescribe, by way of a regulation, the manner of maintaining other registries or establishing databases and using data and information referred to in such registries or databases.

### **Custody services**

#### **Article 38**

The Central Bank may provide custody services.

The Central Bank shall regulate the provision of custody services.

## **IV. CENTRAL BANK RELATION WITH OTHER GOVERNMENT BODIES AND ORGANISATIONS**

### **Submission of Central Bank report**

#### **Article 39**

The Central Bank shall submit, as needed, and at least once a year, by 30 June of the current year, the report on its prior year's operations to the Parliament of Montenegro (hereinafter: the Parliament) for its consideration.

The report on the Central Bank's operations shall contain information on the economic environment during the reporting year, including the assessment of economic trends in the following year, emphasising the Central Bank's policy objectives and the condition of the financial system, as a whole. The report shall also include the review and assessment of the Central Bank's policies followed during the reporting year.

The Central Bank shall also publish reports on financial system stability and price stability matters which it shall submit to the Parliament and the Government for information purposes, as needed, and at least once a year, no later than by 30 June of the current year for the previous year.

## **Participation in the legislative procedure**

### **Article 40**

The Central Bank shall have the right to prepare draft laws related to the pursuance of the Central Bank's objectives and the exercise of its functions.

The Central Bank shall furnish the official proposer of the law with the prepared draft law referred to in paragraph 1 of this Article.

The Government shall consult the Central Bank on any draft law concerning the financial system and affecting the pursuance of objectives and the exercise of functions of the Central Bank and which shall be subject to the Central Bank opinion, before it is submitted to the Parliament.

The Government shall submit to the Parliament the opinion of the Central Bank referred to in paragraph 3 of this Article together with the proposal of the law.

## **Depository and banker for the government bodies and organisations**

### **Article 41**

The Central Bank may accept monetary assets in the form of deposits from the government bodies and organisations, open accounts thereof and execute payment system operations related thereto.

The Central Bank shall execute payment system operations referred to in paragraph 1 of this Article by order of the government bodies and organisations up to the amount of deposited funds.

The Central Bank shall pay interest on deposited funds referred to in paragraph 1 of this Article that shall not exceed the market rates prevailing in Montenegro.

The Central Bank shall calculate and charge fees for the provision of services referred to in paragraph 1 of this Article.

The interest rate referred to in paragraph 3 of this Article and the fee referred to in paragraph 4 of this Article shall be specified in the agreement between the Central Bank and the ministry responsible for financial affairs.

## **Fiscal agent**

### **Article 42**

The Central Bank may perform operations related to the securities issued by Montenegro, including the registration thereof, the payment of principal, interest and other securities-related expenses and perform other related operations, on such terms and conditions to be agreed with the ministry responsible for financial affairs.

## **Prohibition of lending**

### **Article 43**

The Central Bank shall not, either directly or indirectly, grant any loans to the Government, other government bodies and organisations, local self-government units or any other persons owned by or in the majority ownership of the state or local self-government units.

Notwithstanding paragraph 1 of this Article, the Central Bank may, under the conditions stipulated by this law, grant loans to banks owned by or in the majority ownership of the state.

The Central Bank shall not purchase debt securities issued by persons referred to in paragraph 1 of this Article in the primary market, but it may purchase these securities only in the secondary market.

## **V. GOVERNANCE AND MANAGEMENT**

### **Council of the Central Bank**

#### **Article 44**

The Central Bank shall be governed by the Council of the Central Bank (hereinafter: the Council).

The Council shall:

- 1) determine policy for the pursuance of objectives and exercise of functions of the Central Bank;
- 2) decide on the use of monetary policy instruments and other measures;
- 3) pass regulations and other acts necessary for the pursuance of objectives and the exercise of functions of the Central Bank on the basis of powers specified by this and other laws;
- 4) decide on the Central Bank's membership and participation in the work of international financial institutions;
- 5) pass the Statute of the Central Bank;
- 6) decide on issuing licences and granting authorisations to and withdrawing licences and authorisations from credit institutions, in accordance with the law and regulations adopted on the basis of the law;
  - 6a) appoint administrators and assistant administrators in a credit institution, in accordance with the law governing the operations of credit institutions;
  - 6b) decide on other issues related to the work of the administrators and assistant administrators, in accordance with the law governing the operations of credit institutions;
  - 6c) decide on the introduction of temporary administration in a credit institution and on other issues related to the temporary administration in accordance with the law governing the operations of credit institutions;
- 7) decide on granting authorisations to and withdrawing authorisations from a payment institution and an electronic money institution for the provision of payment services, in accordance with the law;
- 8) decide on granting authorisation to and withdrawing authorisation from an electronic money institution for issuing electronic money, in accordance with the law;
  - 8a) decide on issuing licences and granting authorisations and withdrawing licences and authorisations for the provision of financial leasing, factoring, purchase of receivables, micro-lending and credit and guarantee operations, in accordance with the law;
- 9) decide on issuing licences to and withdrawing licences from payment systems, in line with the law and regulations adopted on the basis of the law;
- 10) decide on the introduction of safeguard and other measures for the purpose of maintaining stability of the financial system as a whole;
  - 10a) define the financial crisis management plan covering the Central Bank's areas of competence;
- 11) adopt reports and recommendations to be submitted to the Parliament and the Government;
- 12) pass the financial plan and adopt annual financial statements and approve other reports;
- 13) appoint the independent external auditor and other persons it is authorised to appoint under this law;
- 14) determine the investment strategy for managing the international reserves;

- 15) decide on the acquisition and disposal of immovable property;
- 15a) decide on the distribution of profit of the Central Bank;
- 15b) decide on the use of special reserves of the Central Bank;
- 16) establish policies regulating the issues of:
  - operational risk management;
  - information security, and
  - business continuity management of the Central Bank;
- 16a) pass the strategic and annual internal audit plan and adopt the internal audit activity reports;
- 17) establish the tariff for the calculation of fees for the Central Bank services;
- 18) pass acts governing the employment rights and obligations, including those of the Council members;
- 19) pass other acts on the proposal of the Governor, Vice-Governors and members of the Council;
- 20) perform other activities specified by the law and the Statute of the Central Bank.

The Council shall set up the Audit Committee and the Advisory Committee in accordance with this law, and it may set up other bodies and pass general acts governing their work.

The regulations and other acts for the exercise of the functions of the Central Bank passed by the Council shall be published in the “Official Gazette of Montenegro”.

## **Governor of the Central Bank**

### **Article 45**

The Central Bank shall be managed by the Governor of the Central Bank (hereinafter: the Governor). The Governor shall:

- 1) represent and act on behalf of the Central Bank;
- 2) organise the work of the Central Bank;
- 3) ensure that the policies of the Central Bank and the decisions of the Council are implemented;
- 4) submit to the Council, at least ten times a year, reports on the Central Bank operations and the implementation of the policy of the Central Bank, financial system stability, including events and circumstances that could affect the pursuance of objectives and the exercise of functions of the Central Bank, and the financial system as a whole;
- 5) submit to the Council reports on macroeconomic and financial developments and monetary, fiscal and the balance of payments analyses, and may propose economic policy recommendations;
- 6) pass instructions for the uniform implementation of regulations adopted by the Council;
- 7) pass general acts in line with the Statute and other acts governing internal operations of the Central Bank;
- 8) pass administrative decisions on granting and withdrawing authorisations within the Central Bank’s competence which are not to be passed by the Council;
- 9) pass administrative decisions and other acts in the process of the supervision of credit institutions, payment institutions, electronic money institutions, and payment systems, and in the process of the supervision of financial leasing, factoring, purchase of receivables, micro-lending, and credit and guarantee operations;
- 10) pass other administrative decisions and acts within the Central Bank’s competence which are not to be passed by the Council;
- 11) appoint persons with special powers and responsibilities, unless otherwise stipulated by this Law;
- 12) decide on the material and financial activities;
- 13) decide on the information system functioning and development;

13a) pass acts governing the reception, recording, administrative and technical processing and dispatch of acts, storage of items, acts and other material and archiving and storage of archived items, as well as other handling of official material;

14) decide on the rights and obligations from the employment relationship and based on the work of the employees;

15) decide on other matters falling within their competence under this law and the Statute of the Central Bank.

The Governor may initiate an address and address the Parliament and its bodies upon invitation thereof with regard to the issues of monetary and financial stability and the functioning of the banking system.

The Governor shall designate the Vice-Governor to replace them during their absence.

The Governor may delegate some of the tasks within their competence to the Vice-Governors.

## **Composition of the Council**

### **Article 46**

The Council shall consist of eight members.

Members of the Council shall be the Governor, three Vice-Governors, and four members that are not employed by the Central Bank.

The Governor shall chair the Council meetings.

### **Article 47**

*Deleted. (Law amending the Central Bank of Montenegro Law, OGM 70/17)*

### **Article 48**

*Deleted. (Law amending the Central Bank of Montenegro Law, OGM 70/17)*

## **Appointment of the Governor**

### **Article 49**

The Governor shall be appointed by the Parliament, at a proposal to be put forward by the President of Montenegro.

The Governor shall be appointed for the period of six years and may be appointed to serve not more than two consecutive terms of office.

## **Appointment of Vice-Governors and members of the Council not employed by the Central Bank**

### **Article 50**

The Vice-Governors shall be appointed by the Parliament, at the proposal of the Governor.

Four members of the Council who are not employed by the Central Bank shall be appointed by the Parliament, at the proposal of the working body of the Parliament responsible for financial affairs.

The Vice-Governors and members of the Council who are not employed by the Central Bank shall be appointed for the period of six years and may be appointed to serve not more than two consecutive terms of office.

## **Expiry of the term of office of members of the Council**

### **Article 50a**

The Council shall notify the President of Montenegro on the expiry of the term of office of the Governor or the Parliament on the expiry of the term of office of the Vice-Governors and members of the Council who are not employed by the Central Bank no later than 60 days prior to the expiry of their terms of office.

A member of the Council whose term of office has expired shall continue to perform their function until the appointment of a new member.

## **Eligibility to serve on the Council and incompatibility of functions**

### **Article 51**

A member of the Council must be a person having Montenegrin citizenship, holding at least VIII level of the national qualifications framework, enjoying personal repute and having at least ten years of professional experience in the field of economy, banking, finance or law, provided that the Governor must have at least five years of management experience in the aforesaid fields.

A member of the Council may not be a member of a political organisation, a member of the Parliament, a member of the Government or person performing another function or duty as designated by the Parliament or the Government, except a function or a duty in international financial institutions, and they may not be performing a function or a duty in any local self-government or trade union bodies.

A member of the Council may not be a member of a body, an employee or external associate of a credit institution, or another legal person subject to supervision of the Central Bank.

A member of the Council may be a person engaged in scientific or research activity, except a person whose work or activity could affect their independence or conflict the interests of the Central Bank.

A member of the Council may not hold shares or participating interest in a credit institution and any other legal person subject to the Central Bank supervision, nor may they hold shares or participating interest in an audit firm.

## **Prevention of conflict of interest**

### **Article 52**

A member of the Council shall perform their function in the Central Bank in the manner so that they shall not put their personal interests or interests of persons connected with them before the interests of the Central Bank.

The member of the Council shall submit a written statement to the Council on the facts referred to in Article 51 paragraphs 2 to 5 of this Law within 15 days following that of their appointment for the member of the Council and once a year by the end of February in the current year for the previous year.

Where a member of the Council is in any way connected with the subject matter of deciding or where they are indirectly or directly interested in that subject matter, they shall disclose their interest at the beginning of the meeting of the Council and shall not participate in the discussion or voting on such a matter, but their presence shall be accounted for the purpose of constituting a quorum at the relevant meeting.

Any rights and obligations of the members of the Council not specified in this Law or the Statute shall be subject to provisions of the law governing the prevention of corruption in performing public functions.



## **Removal from office**

### **Article 53**

A member of the Council shall be removed from office before the expiry of their term of office if:

- 1) they no longer fulfil the conditions specified in Article 51 of this Law, or
- 2) they have been guilty of serious misconduct in the performance of their duty.

A member of the Council may not be removed from office due to the reasons other than those specified in paragraph 1 of this Article.

## **Relief of duty at personal request**

### **Article 54**

A member of the Council may be relieved of duty at personal request by submitting their resignation from office of the member of the Council.

A member of the Council who intends to submit a resignation shall notify the Council thereof in writing, at the latest 60 days before submitting their resignation to the Parliament.

## **Conditions for the removal from office**

### **Article 55**

The Council, by the majority vote of the members of the Council, shall establish the fulfilment of conditions referred to in Article 53 of this Law for the removal of a member of the Council from office and it shall immediately notify the Parliament thereof and propose the removal from office of the member of the Council.

Where the Parliament fails to remove a member of the Council from office within 30 days following the receipt of the proposal thereof, and where a member of the Council notifies the Council on their intention to submit resignation from office, the Council may decide that such a member of the Council has no right to participate in the work of the Council and/or perform other activities within the Central Bank's competence until the passing of the decision on their removal from office.

Where the Parliament assesses that the Council has failed to establish the existence of conditions for the removal of a member of the Council from office, it shall nominate a commission comprising a chairperson, who has performed or performs the judicial function, and at least two other members, one of which shall be an expert in the field of banking or finances, which shall examine the issue and submit a report with the recommendations to the Parliament.

## **Judicial protection in case of the removal from office**

### **Article 56**

A member of the Council may institute an administrative dispute against the decision on their removal from office.

## **Duration of the term of office in case of relief of duty of a member of the Council**

### **Article 57**

Term of office of a member of the Council appointed to replace the member of the Council who has been relieved of duty before the expiry of their term of office shall last six years.

## **Governor and Vice-Governor employment status**

### **Article 58**

The Governor and the Vice-Governors shall be employees of the Central Bank and they shall perform their functions as members of the Council professionally and they may not perform any other function, job or duty unless approved by the Council.

## **Prohibition of employment of a member of the Council after the expiry of term of office**

### **Article 59**

A former member of the Council may not be a member of a body in, or an employee of, a credit institution or any other legal person subject to the Central Bank supervision during the period of 12 months following the expiry of their term of office, unless approved by the Council.

## **Remuneration of the members of the Council**

### **Article 60**

The members of the Council shall receive remuneration for their serving on the Council.

The remuneration referred to in paragraph 1 of this Article and salaries and other remunerations of the Governor and the Vice-Governors shall be determined in a general act to be passed by the Council upon the proposal of the Governor and they shall be published in the Central Bank reports in line with this Law.

## **Rights upon the termination of function**

### **Article 61**

During one year following their termination of function, the Governor and the Vice-Governors shall be entitled to remuneration that shall be equal to the remuneration received in the last month of their service on the Council.

The right to remuneration referred to in paragraph 1 of this Article shall be exercised at personal request which must be submitted no later than within 30 days following that of the termination of the function.

The remuneration referred to in paragraph 1 of this Article shall be aligned with the salary of the Governor and the Vice-Governors during the period of the exercised right to remuneration.

The right referred to in paragraph 1 of this Article shall cease before the specified time period if its beneficiary:

- 1) becomes employed;
- 2) becomes elected, nominated or appointed to another function eligible for remuneration;
- 3) exercises the pension right.

The right referred to in paragraph 1 of this Article may be extended for another year provided that its beneficiary acquires the pension right during that period.

## **Meetings of the Council**

### **Article 62**

The Council shall decide on matters within its competence at meetings to be held once a month, as a rule, but no less than ten times in a calendar year.

Other persons, except members of the government bodies and organisations whose attendance at the meeting of the Council could undermine the independence of the Central Bank prescribed by this Law, may be invited to attend the Council meetings, without the right to vote.

The meetings of the Council shall be convened by the Governor.

The Governor shall also convene a Council meeting at a written request of three members of the Council.

The Council may take decisions provided that at least five members of the Council attend the meeting.

The Council shall decide on issues within its competence by majority vote of the members of the Council, provided that in case of a tie, the Governor shall have the casting vote.

The Council shall adopt the rules of procedure to regulate in more detail *modus operandi* of the Council.

## **Transparency of the Council operations**

### **Article 63**

Following its meetings, the Council shall immediately notify the public on its decisions passed thereat concerning the issues of importance for establishing the policies for the pursuance of the objectives and the exercise of the functions of the Central Bank.

The Council may also notify the public on other issues discussed at a meeting of the Council and decisions passed thereat.

## **Minutes of the Council meetings**

### **Article 64**

The minutes shall be kept at the Council meetings.

## **VI. PROPERTY, INCOME AND EXPENSES OF THE CENTRAL BANK**

### **Property of the Central Bank**

#### **Article 65**

The property of the Central Bank shall consist of property rights that refer to immovable and movable property, capital and other monetary assets, precious metals and securities, and other property rights.

The Governor shall pass acts governing the acquisition, management, use, and disposal of property referred to in paragraph 1 of this Article, except on the acquisition and disposal of immovable property.

### **Income of the Central Bank**

#### **Article 66**

The Central Bank shall make income on the basis of the following:

- 1) fees for issuing licenses and granting authorisations in accordance with the law;
- 2) fees to be collected based on the supervision carried out in accordance with the law;
- 3) interest and other income on funds deposited abroad;
- 4) FX revaluation gains;
- 5) interest on loans granted;
- 6) fees for rendered services;
- 7) purchase and sale of securities;
- 8) other fees for performing other activities within its competence;

9) use of property referred to in Article 65 paragraph 1 of this Law.  
The Central Bank shall determine tariffs for the calculation of fees charged for its services.

## **Expenses of the Central Bank**

### **Article 67**

The following shall be paid from the income made by the Central Bank:

- 1) fees on allocated reserve requirement of credit institutions;
- 2) interest on funds deposited with the Central Bank;
- 3) expenses for providing banknotes and coins;
- 4) expenses from investments in securities;
- 5) FX revaluation losses;
- 6) material and non-material expenses and depreciation expenses;
- 7) Central Bank employees' expenses;
- 8) other expenses the Central Bank incurs in its operations.

## **Profit and loss**

### **Article 68**

Net profit or loss of the Central Bank shall be determined for each financial year in line with the International Financial Reporting Standards.

Distributable profit shall be determined as follows:

- by deducting from net profit the total amount of unrealised revaluation gains, and by allocating the equivalent amount to the respective unrealised revaluation reserve accounts; and
- by deducting from the unrealised revaluation reserve accounts and adding to the distributable profit the amount of any unrealised profit that was deducted from net profit for one or more previous years and realised during the current financial year.

Unrealised revaluation losses shall be transferred to the corresponding unrealised revaluation reserve account until such time as this revaluation reserve account reaches a zero balance, after which these losses shall be covered by the current year's profit, and subsequently in the manner specified in Article 70 of this Law.

By way of derogation from paragraphs 2 and 3 of this Article, unrealised revaluation profits and losses for financial assets measured at fair value through other comprehensive income shall be kept on the account of unrealised revaluation reserves until the moment of their sale or maturity.

## **Allocation of distributable profit**

### **Article 69**

Profit determined in accordance with Article 68 paragraph 2 of this Law shall be allocated to general reserves in the amount of 50% of realised profit.

A portion of the profit may be allocated to special reserves in the amount to be determined by the Council, in accordance with this law.

Profit referred to in paragraph 2 of this Article may not exceed 10% of the profit established in accordance with Article 68 paragraph 2 of this Law.

The remaining portion of profit shall make the revenue of the Budget of Montenegro.

No distribution of profit shall be made out of undistributed or current profit, except if such distribution is made in accordance with Article 68 of this Law.

## **Coverage of Losses and Deficit**

### **Article 70**

The Central Bank shall cover losses from general reserves.

Losses that cannot be covered from general reserves shall represent a deficit in the initial capital that shall be temporarily covered from the initial capital of the Central Bank.

Where a deficit in the initial capital has been disclosed after the completed independent external audit of annual financial statements of the Central Bank, the Central Bank shall, in consultations with the independent external auditor, prepare a report on the origins of the deficit of initial capital within a period of 30 days.

After the Council approves the financial statements with the independent external auditor's opinion specified in paragraph 1 of this Article, the Central Bank shall forward a request to the Government to cover the deficit from the Budget of Montenegro.

Within the period of 30 days following the receipt of the request referred to in paragraph 4 of this Article, the Government shall transfer the lacking amount to the Central Bank in currency or in readily marketable debt instruments with a specified maturity which issuer is not Montenegro, and issued at market interest rates prevailing in Montenegro.

## **VII. FINANCIAL PLAN, FINANCIAL STATEMENTS AND OTHER REPORTING**

### **Financial plan and financial statements**

#### **Article 71**

A financial year of the Central Bank shall equal a calendar year.

The Central Bank shall plan its income and expenses for the following year in a financial plan which shall be adopted by 31 December of the current year.

The Central Bank shall submit the adopted financial plan to the Government and the Parliament for information purposes.

The Central Bank shall prepare the financial statements in line with the International Accounting Standards and International Financial Reporting Standards.

The Central Bank shall adopt annual financial statements for the previous year, with the independent external auditor's opinion, by 30 June of the current year.

The Central Bank shall submit to the Parliament, for information purposes, its annual financial statements with the independent external auditor's opinion.

### **Publishing financial statements**

#### **Article 72**

The Central Bank shall publish annual financial statements referred to in Article 71 of this Law on its website or via other electronic or printed media.

## **Informing the public**

### **Article 73**

The Central Bank shall, regularly and timely, inform the public on the pursuance of its objectives and the exercise of its functions, and particularly on macroeconomic analysis, financial and monetary stability, monetary and credit trends, and the balance of payments, and it may publish reports and studies on other financial and economic issues.

## **VIII. AUDIT**

### **Internal audit**

#### **Article 74**

Internal audit shall perform ongoing and comprehensive monitoring of the Central Bank's activities in accordance with the general act of the Central Bank and the Internal Audit Charter to be passed by the Council, and internationally accepted standards of internal auditing.

Internal audit shall be managed by the Chief Internal Auditor, who shall be appointed by the Governor with the approval of the Council.

The Chief Internal Auditor shall be a person holding a university degree, of recognised personal reputation, and with at least five years of professional experience in the field of accounting or auditing.

Provisions of Articles 51, 52 and 53 of this Law shall apply accordingly to the Chief Internal Auditor.

The Internal Audit Charter shall regulate the purpose, powers and responsibilities of the internal audit and Chief Internal Auditor.

The general act of the Central Bank referred to in paragraph 1 of this Article shall specify in more detail the internal audit activities and reporting in accordance with the internationally accepted standards of internal auditing.

### **Audit Committee**

#### **Article 75**

The Council shall establish the Audit Committee as the standing body of the Council.

The Audit Committee shall have three members, which shall not be full-time employees of the Central Bank, of which two members shall be members of the Council and one member shall be an expert with the relevant experience in the field of accounting or auditing.

The Audit Committee shall oversee and evaluate the functioning of the internal controls system; monitor and evaluate financial reporting; give opinion on the appointment of independent external auditor, and monitor and assess the procedure of auditing of financial statements of the Central Bank, and monitor and analyse the compliance of the Central Bank's operations with the law, other regulations and general acts.

The Audit Committee shall oversee the effectiveness and efficiency of the internal audit work.

The Audit Committee shall submit reports on its activities to the Council, as a rule, on quarterly basis.

The scope and the method of work of the Audit Committee shall be regulated in more details by a general act of the Council.

The Audit Committee shall pass its rules of procedures.

## **Advisory Committee**

### **Article 75a**

The Council shall set up an Advisory Committee as the standing body of the Council.

The Advisory Committee shall consist of a chairperson and at least two members that have at least ten years of professional experience in the field of economy, banking, finance or law.

The Advisory Committee shall give recommendations to the Council related to the policies and other acts to be decided or to be passed by the Council.

The Advisory Committee shall submit reports on its activities to the Council, as a rule, on quarterly basis.

The Advisory Committee shall pass its rules of procedures.

The number and appointment of the members of the Advisory Committee shall be governed by the act of the Council.

## **Independent external audit**

### **Article 76**

The audit of annual financial statements of the Central Bank may be performed by an independent external auditor having international experience in auditing the central banks.

The auditor referred to in paragraph 1 of this Article shall be appointed by the Council.

The independent external auditor shall perform the audit referred to in paragraph 1 of this Article in accordance with the International Standards on Auditing.

The independent external auditor shall have unrestricted access to business books, accounts and records and collecting of information from the Central Bank.

The independent external auditor may perform the audit of financial statements of the Central Bank for no more than three consecutive years.

## **Audit by the State Audit Institution**

### **Article 76a**

The pursuance of objectives and the exercise of functions of the Central Bank may not be subject to an audit by the State Audit Institution.

The acts and actions of the Central Bank that are not related to the pursuance of objectives and the exercise of functions of the Central Bank shall be audited by the State Audit Institution in accordance with the law governing the state audit.

## **IX. OTHER PROVISIONS**

### **Regulations and other acts of the Central Bank**

#### **Article 77**

The Central Bank shall have the power to pass regulations and other acts necessary for the exercise of its functions on the basis of powers conferred upon it by this or any other law.

The Central Bank shall pass regulations referred to in paragraph 1 of this Article in the form of decisions and instructions.

The Central Bank may also issue binding individual acts.  
The Central Bank shall keep records on passed regulations and other acts.

## **Administrative penalties**

### **Article 78**

The Central Bank may impose administrative penalties on all persons violating this Law or any other law or regulation with respect to the pursuance of objectives and the exercise of functions of the Central Bank.

The administrative penalties within the meaning of paragraph 1 of this Article shall include pecuniary penalties and specific measures laid down in the law or other regulations, such as written warnings, withdrawal of licenses, and other measures.

## **Tax exemption**

### **Article 79**

The Central Bank shall, in the performance of its activities, be exempt from taxes, duties and other levies as the government bodies and organisations, in accordance with the law.

## **Collection of claims**

### **Article 80**

The Central Bank shall have the priority, without carrying out any court or other proceedings, in the collection of matured outstanding claims from debtors:

- from monetary assets of debtors kept in the account with the Central Bank;
- from the collateral of debtors.

The Central Bank shall have the right to settle secured claims from the value of the collateral, through a public sale or a direct agreement, upon the deduction of the costs of sale.

## **Protection of property**

### **Article 81**

The Central Bank's property and the property held and managed by the Central Bank, including gold, special drawing rights, currency, loans, deposits or securities, as well as income generated therefrom may not be subject to any measure of prohibition of disposing or execution prior to the passing of the final judgment by the competent court.

## **Court protection**

### **Article 82**

An administrative dispute may be instituted by bringing an action against a Central Bank's administrative decision.

An action referred to in paragraph 1 of this Article shall not put off the execution of the Central Bank's administrative decision.



## **Legal protection**

### **Article 83**

The Central Bank, a member of the Council, an employee or any person authorised by the Central Bank to carry out activities with regard to the exercise of its functions shall not be held liable for damages that could be incurred during the performance of duties in accordance with the law and regulations passed on the basis of the law, unless it is proved that the particular action has been performed deliberately or as an act of gross negligence.

The Central Bank shall cover the expenses of protecting the persons referred to in paragraph 1 of this Article in court proceedings concerning the performance of their duties.

## **Obligation of keeping information and data secret**

### **Article 84**

A member of the Council and the employees of the Central Bank shall keep the secrecy of the information and data which are considered secret in accordance with the law or another act.

The obligation of secrecy referred to in paragraph 1 of this Article shall last after the termination of function and/or employment in the Central Bank.

Notwithstanding paragraph 1 of this Article, members of the Council and the employees may make the information and data available to third parties outside the Central Bank in accordance with the procedure established in the special act of the Central Bank, provided that:

- 1) the person to whom the information relates has given their explicit consent;
- 2) it represents the provision of assistance to the competent authorities in their enforcement of the law and at a court's order;
- 3) they are submitted to the independent external auditor of the Central Bank;
- 4) they are given to supervisory authorities of foreign banks and financial institutions and representatives of international financial institutions in performing their duties;
- 5) the interest of the Central Bank in court proceedings and contractual relations requires the disclosure of such information and data.

## **Prohibition to accept gifts**

### **Article 85**

A member of the Council, during their term of office, and employees of the Central Bank may not accept gifts or other types of benefits from persons with whom they have related business or financial interests, if such acceptance would affect the unbiased execution of their tasks and duties.

## **X. ORGANISATION OF WORK AND EMPLOYEES**

### **Internal organisation of the Central Bank**

#### **Article 86**

The internal organization of the Central Bank shall be regulated in more detail in the Statute and other general acts of the Central Bank.

## **Rights and obligations of employees**

### **Article 87**

General labour regulations shall apply to the rights and obligations of employees of the Central Bank, unless otherwise stipulated by this Law.

Salaries and other rights, obligations and responsibilities of the Central Bank employees in the performance of activities and tasks shall be governed in more detail in the Statute, collective agreement and other general acts of the Central Bank.

The Governor shall decide on the employment in the Central Bank.

The Central Bank employee may not perform any activity for another employer, except based on a special approval from the Governor and provided that it is not contrary to the interests of the Central Bank.

Employees may not be guided by their political affiliations in performing their operations.

The Central Bank may open accounts for its employees.

The Central Bank may grant loans to its employees in accordance with a special act.

## **Xa. MEMBERSHIP OF MONTENEGRO IN THE EUROPEAN UNION**

### **European System of Central Banks**

#### **Article 87a**

The Central Bank shall be an integral part of the European System of Central Banks (hereinafter: the ESCB).

The operations of the Central Bank related to the ESCB may not be subject to audit performed by the State Audit Institution.

### **Independence**

#### **Article 87b**

In accordance with Article 130 of the Treaty on the functioning of the European Union and Article 7 of the Statute of the ESCB and of the European Central Bank (hereinafter: the ECB), in exercising the tasks and/or functions set in this Law, the Treaty on the European Union, the Treaty on the functioning of the European Union and the Statute of the ESCB and of the ECB, the Central Bank and members of its bodies shall not seek or take instructions from the European Union institutions and bodies, agencies and offices, from any government of an European Union Member State (hereinafter: the Member State) and from any other body.

The European Union institutions, bodies, agencies and offices, and governments of the Member States undertake to respect the principle of independence of the Central Bank and not to seek to influence the members of the bodies of the Central Bank in the performance of their tasks or functions.

Provisions of paragraphs 1 and 2 of this Article shall be without prejudice to the powers of the ECB with regard to the Central Bank as specified in the Statute of the ESCB and of the ECB.

### **Central Bank objectives**

#### **Article 87v**

The primary objective of the Central Bank shall be to maintain price stability.

The Central Bank shall, without prejudice to the pursuance of its objective referred to in paragraph 1 of this Article, support the general objectives of the economic policies of the European Union with a view to contributing to the achievement of the objectives of the European Union, as laid down in Article 3 of the Treaty on European Union.

The Central Bank shall act in accordance with the principle of an open market economy with free competition, favouring an efficient allocation of resources, in compliance with the principles set out in Article 119 of the Treaty on the functioning of the European Union.

The Central Bank shall work on pursuing the objectives and exercising tasks of the ESCB in accordance with the Treaty on the Functioning of the European Union, the Statute of the ESCB and of the ECB, regulations of the European Union, and this Law.

## **Open market and credit operations**

### **Article 87g**

In order to pursue the objectives and to carry out the tasks of the ESCB, and in accordance with general principles established by the ECB, the Central Bank may:

- 1) participate in the financial markets by buying and selling (spot and forward), under repurchase agreement, and by lending or borrowing claims, marketable instruments (whether in the European Union currency or in any other currency) and precious metals,
- 2) conduct credit operations with credit institutions and other market participants, including lending based on adequate collateral.

## **ECB advisory function**

### **Article 87d**

Proposals of laws and other regulations falling within the ECB responsibilities shall be submitted to the ECB for an opinion in accordance with Article 127 paragraph 4 and Article 282 paragraph 5 of the Treaty on the functioning of the European Union.

## **Protection of banknotes and coins against counterfeiting**

### **Article 87d**

The Central Bank shall act in accordance with the European Union regulations in performing activities of the protection of euro denominated banknotes and coins against counterfeiting and distribution.

The Central Bank may, for the purpose of efficient protection of banknotes and coins against the counterfeiting and distribution in accordance with the European Union Regulations, pass regulations for the implementation thereof.

The Central Bank regulations referred to in paragraph 2 of this Article shall be fully aligned with regulations of the European Union.

## **Powers over credit institutions**

### **Article 87e**

The Central Bank shall issue licenses to and withdraw licenses from credit institutions, supervise their operations, pass regulations and other acts governing the operations and establishing the standards for safe and sound operations of credit institutions, and perform other operations, in accordance with the European Union regulations and the law governing the operations of credit institutions.

## **Prohibition of lending to the public sector**

### **Article 87ž**

Pursuant to Article 123 of the Treaty on the functioning of the European Union, the Central Bank shall not enable overdraft facilities or any other type of credit facility in favour of the Government, other government bodies and organisations of Montenegro, local self-government units, persons whose founder or majority owner is the state of Montenegro or a local self-government unit in Montenegro, institutions, bodies, offices or agencies of the European Union, central governments of other Member States, regional, local or other public authorities in other Member States, other bodies governed by public law and public undertakings of Montenegro and of other Member States, and it shall be prohibited from purchasing debt securities directly from them.

Prohibition of lending to the public sector referred to in paragraph 1 of this Article shall not apply to the exceptions stipulated in Article 123 paragraph 2 of the Treaty on the functioning of the European Union.

## **Credit institution liquidity facility**

### **Article 87z**

In the event of an urgent, unforeseen and temporary liquidity need of a credit institution, the Central Bank may, in order to contribute to the maintaining of financial stability, grant a short-term loan to a solvent credit institution, provided that the loan is secured by adequate collateral.

The Central Bank shall prescribe in more detail the conditions and the manner of granting the loan referred to in paragraph 1 of this Article.

## **Membership in the General Council of the ECB**

### **Article 87i**

The Governor of the Central Bank shall be a member of the General Council of the ECB.

## **Removal from office**

### **Article 87j**

A member of the Council shall be removed from office before the expiry of their term of office only if circumstances referred to in Article 14 paragraph 2 of the Statute of the ESCB and of the ECB have occurred.

By the majority vote of its members, the Council shall establish the occurrence of circumstances for the removal from office of a member of the Council and immediately notify the Parliament thereof, and propose the removal from office of the member of the Council.

Where the Parliament assesses that the Council has failed to establish the existence of conditions for the removal of a member of the Council from office, it shall nominate a commission comprising a chairperson, who has performed or performs the judicial function, and at least two members, one of which shall be an expert in the field of banking or finances, which shall examine the issue and submit a report with recommendations to the Parliament.

The Governor who has been removed from office shall have the right to refer the administrative decision of their removal to the Court of Justice of the European Union, and other members of the Council may initiate an administrative dispute.

## **Submission of secret information and data**

### **Article 87k**

The Central Bank may, in accordance with the obligations specified in the Statute of the ESCB and of the ECB, submit to the ECB and other institutions and bodies of the European Union information and data that are considered secret.

Information and data that are considered secret shall not be made available to third parties outside the Central Bank although the conditions referred to in Article 84 paragraph 3 of this Law have been met if such disclosure would be contrary to the obligations and tasks of the Central Bank in accordance with the provisions of the Treaty on the functioning of the European Union and the Statute of the ESCB and of the ECB and the rules on confidentiality of the European Union, or if such disclosure would jeopardise the reputation or interests of the ECB and national central banks of the Member States.

## **Collection of statistical data**

### **Article 87l**

With a view to pursuing its objectives and exercising its tasks or functions specified in this Law, the Central Bank shall participate in the collection, processing, and dissemination of statistical data in accordance with Article 5 of the Statute of the ESCB and of the ECB.

In exercising the activities referred to in paragraph 1 of this Article, the Central Bank shall cooperate with the ECB and other institutions and bodies of the European Union, competent bodies of Member States and third countries and international financial institutions.

The Central Bank may, by way of regulation and another act, prescribe the following, in particular:

- 1) type of statistical data not covered in paragraph 1 of this Article,
- 2) manner in which data will be submitted to the Central Bank and uniform templates and methods, which will provide equalisation of procedure for the collection, processing, distribution and dissemination of processed statistical data;
- 3) persons responsible for the submission of statistical data to the Central Bank, and
- 4) measures and procedures for providing and protecting data that are considered secret in accordance with the law.

The Central Bank regulations and other acts referred to in paragraph 3 of this Article must be fully aligned with regulations and other acts of the European Union.

## **Xb. MEMBERSHIP OF MONTENEGRO IN THE EUROPEAN MONETARY UNION**

### **Tasks or functions of the Central Bank**

#### **Article 87lj**

The Central Bank shall, as a part of the ESCB, in accordance with the Treaty on the Functioning of the European Union and the Statute of the ESCB and of the ECB, perform the following tasks or functions:

- 1) participate in the definition and implementation of monetary policy of the European Union;
- 2) conduct foreign-exchange operations in accordance with Article 219 of the Treaty on the Functioning of the European Union;
- 3) hold and manage foreign reserves that are not transferred to the ECB, and foreign reserves referred to in Article 87t paragraph 2 of this Law;

4) promote smooth operation of the payment system.

In addition to the tasks and/or functions referred to in paragraph 1 of this Article, the Central Bank shall also perform the following tasks and/or functions:

1) oversee the maintenance of the stability of the financial system as a whole and pass pertinent regulations and measures;

2) pass regulations within its competence;

3) govern the issue of coins in accordance with regulations of the European Union;

4) issue and withdraw licenses and authorisations in accordance with laws governing the operations of credit institutions, payment institutions, electronic money institutions, payment systems, and providers of financial leasing, factoring, purchase of receivables, micro-lending services and credit guarantee operations;

5) exercise supervision over persons whose operation is regulated by laws governing the operation of credit institutions, payment institutions, electronic money institutions, payment systems, and providers of financial leasing, factoring, purchase of receivables, micro-lending services and credit guarantee operations;

6) regulate and carry out activities related to the resolution of credit institutions in accordance with the law;

6a) regulate and carry out activities related to the bankruptcy and winding-up of banks, in accordance with the law;

6b) carry out activities related to the protection of rights and interests of clients of credit institutions, users of financial services set out in the law governing financial leasing, factoring, purchase of receivables, micro-lending and credit guarantee operations, consumer loan beneficiaries, users of payment services, and electronic money holders, in accordance with the law.

7) open accounts for and accept deposits from credit institutions, execute payment system operations across these accounts and grant loans to credit institutions;

8) open accounts for government bodies and organisations, foreign credit institutions, central banks, international financial institutions, organisations donating funds to government bodies and organisations, and other persons in accordance with the law and other regulations, and execute payment transactions for these accounts;

9) collect and process statistical data;

10) regulate and improve the payment system;

11) act as the payment and/or fiscal agent towards specific international financial institutions and may be a representative of Montenegro in the international financial institutions;

12) act as the banker and the fiscal agent for Montenegro and perform other operations on behalf of Montenegro provided by the law, and

13) perform other activities as provided in this and other laws and special regulations.

The Central Bank shall exercise its tasks or functions specified in this Law in accordance with the Treaty on European Union, the Treaty on the Functioning of the European Union and the Statute of the ESCB and of the ECB, and in case of non-compliance of individual provisions of this Law with the Treaty on European Union, the Treaty on the Functioning of the European Union and the Statute of the ESCB and of the ECB, the provisions of the Statute of the ESCB and of the ECB shall prevail.

## **Issue of euro banknotes and coins and their protection against counterfeiting**

### **Article 87m**

The Central Bank may issue euro banknotes in accordance with Article 128 paragraph 1 of the Treaty on the Functioning of the European Union and Article 16 of the Statute of the ESCB and of the ECB.

The Central Bank may, on behalf and for the account of Montenegro, issue euro coins subject to approval by the ECB of the volume of the issue.

The Central Bank shall apply rules on denominations and technical specifications of coins in accordance with Article 128 paragraph 2 of the Treaty on the Functioning of the European Union.

The Central Bank shall determine the design of the coins to be issued applying relevant regulations of the European Union.

The Central Bank shall perform the activities related to the protection of euro banknotes and coins against counterfeiting and distribution, in accordance with the regulations of the European Union.

In order to efficiently perform the activities related to the protection of banknotes and coins against counterfeiting and distribution in accordance with the European Union regulations, the Central Bank may pass regulations for the implementation thereof.

The Central Bank act referred to in paragraph 6 of this Article shall be fully aligned with the regulations of the European Union.

## **Participation in international monetary institutions**

### **Article 87n**

The Central Bank may participate in the work of international monetary institutions only subject to the approval of the ECB in accordance with Article 6.2. of the Statute of the ESCB and of the ECB.

## **Reserve requirement**

### **Article 87nj**

In accordance with Article 19 of the Statute of the ESCB and of the ECB and in accordance with the requirement of the ECB, the credit institutions shall hold reserve requirement in the accounts with the ECB and/or the Central Bank, for the purpose of pursuing monetary policy objectives.

The manner of allocating and maintaining the reserve requirement referred to in paragraph 1 of this Article shall be performed in accordance with the ECB regulation.

Where a credit institution fails to meet the obligations referred to in paragraphs 1 and 2 of this Article, the ECB may levy penalty interest and/or impose other sanctions on that credit institution.

The basis for calculating the reserve requirement and the maximum permissible ratio between the reserve requirement and its basis, as well as the appropriate sanctions referred to in paragraph 3 of this Article shall be determined in accordance with the European Union regulation.

## **Other instruments of monetary control**

### **Article 87o**

The Central Bank may apply other instruments of monetary control in accordance with the conditions and within the limits set out in Article 20 of the Statute of the ESCB and of the ECB.

## **Regulations and other acts for implementing ECB monetary policy**

### **Article 87p**

When participating in the implementation of the monetary policy, the Central Bank shall act in accordance with the regulations and other acts of the ECB.

The Central Bank may adopt regulations and other acts for the implementation of regulations referred to in paragraph 1 of this Article with the prior opinion of the ECB.

The Central Bank regulations and other acts referred to in paragraph 2 of this Article shall be in alignment with the ECB regulations and other acts.

## **External operations**

### **Article 87r**

In accordance with Article 23 of the Statute of the ESCB and of the ECB, the Central Bank may:

- 1) establish relations with central banks and financial institutions in other countries and, where appropriate, with international institutions;
- 2) acquire and sell spot and forward all types of foreign exchange assets and precious metals;
- 3) hold and manage the assets referred to in item 2 of this Article, and
- 4) conduct all other types of banking transactions in relations with third countries and international organisations, including borrowing and lending operations.

Foreign exchange assets, within the meaning of paragraph 1 item 2 of this Article, shall include securities and other assets in any foreign currency or units of account in whatever form held.

## **Subscription of the ECB capital**

### **Article 87s**

The Central Bank shall subscribe and pay up the capital of the ECB in accordance with Articles 28 and 29 of the Statute of the ESCB and of the ECB.

## **Transfer of a portion of foreign reserves**

### **Article 87t**

The Central Bank shall transfer to the ECB a portion of foreign reserves in accordance with Article 30 of the Statute of the ESCB and of the ECB.

The Central Bank may, if so entrusted by the ECB, manage the transferred portion of foreign reserves referred to in paragraph 1 of this Article on behalf and for the account of the ECB, in accordance with the guidelines of the ECB.

## **Asset management**

### **Article 87c**

The Central Bank shall manage a portion of foreign reserves that have not been transferred to the ECB, as well as other assets recorded in the Central Bank balance sheet as at the date of Montenegro's accession to the European Monetary Union.

The Central Bank shall manage the foreign reserves referred to in paragraph 1 of this Article in accordance with its own guidelines, adhering to the principles of liquidity and safety.

The Central Bank may execute the transactions within the management of foreign reserves referred to in paragraph 1 of this Article above a limit set out in the guidelines of the ECB, and the transactions with Montenegro's foreign exchange working balances above a limit set out in the guidelines of the ECB, with the prior approval of the ECB.



Notwithstanding paragraph 3 of this Article, the performance of transactions in the fulfilment of obligations towards international institutions shall not be subject to the approval of the ECB.

## **Payment system operations**

### **Article 87u**

The Central Bank shall promote a safe and efficient functioning of the payment system operations within and outside the European Union, in accordance with the regulations and other acts of the ECB.

The Central Bank may adopt regulations and other acts providing for the implementation of regulations and acts referred to in paragraph 1 of this Article.

The regulations and other acts referred to in paragraph 2 of this Article must be fully aligned with the regulations and other acts of the ECB.

## **Powers of the Council**

### **Article 87f**

The Council shall:

1) pass regulations and other legal documents for pursuing the objectives and executing tasks or functions of the Central Bank based on the powers specified by this and other laws, the Statute of the ESCB and of the ECB and other relevant regulations of the European Union;

2) pass regulations governing the issue of coins, if the Central Bank has relevant authorisation in accordance with the Statute of the ESCB and of the ECB and other relevant regulations of the European Union;

3) decide on the Central Bank's membership and participation in the work of international financial institutions;

4) decide on the Central Bank's membership in international monetary institutions, subject to the approval of the ECB;

5) pass the Statute of the Central Bank;

6) decide on issuing licences and granting authorisations to and withdrawing licences and authorisations from credit institutions in accordance with the regulations governing the operations of the credit institutions;

7) grant authorisation for merger to credit institutions and for acquisition of shares of credit institutions in accordance with the law governing the operations of the credit institutions, unless granting of such an authorisation is under the competence of the bodies of the European Union;

7a) appoint the administrator and the assistant administrator in a credit institution, in accordance with the law governing the operations of credit institutions;

7b) decide on other issues related to the work of the administrators and assistant administrators, in accordance with the law governing the operations of credit institutions;

7c) decide on the introduction of temporary administration in a credit institution and on other issues related to the temporary administration in accordance with the law governing the operations of credit institutions;

8) decide on granting authorisations to and withdrawing authorisations from a payment institution to provide payment services, in accordance with the law;

9) decide on granting authorisation to and withdrawing authorisation from an electronic money institution to issue electronic money, in accordance with the regulations governing the operations of the electronic money institutions;

9a) decide on issuing licences and granting authorisations and withdrawing licences and authorisations for the provision of financial lease operations, factoring, purchase of receivables, micro-lending and credit and guarantee operations, in accordance with the law;

10) decide on issuing licences to and withdrawing licences from payment systems, in accordance with the regulations governing payment system establishment and operations;

11) decide on the introduction of safety and other measures for the purpose of maintaining the stability of the financial system as a whole;

11a) pass guidelines for the management of a portion of foreign reserves that have not been transferred to the ECB;

11b) decide on the acquisition and disposal of immovable property;

12) adopt reports to be submitted to the Parliament and Government;

13) pass financial plan and financial statements of the Central Bank;

14) establish the tariff for the calculation of fees charged for the Central Bank services;

14a) pass acts governing the employment rights and obligations, including those of the members of the Council;

14b) decide whether the Central Bank shall issue commemorative banknotes and coins which are not denominated in euro and which are not legal tender in Montenegro;

15) pass other acts upon the proposal of the Governor and Vice-Governors;

16) perform other activities specified in this and other laws and the Statute of the Central Bank.

## **Membership in the ECB Governing Council**

### **Article 87h**

The Governor shall be a member of the Governing Council of the ECB.

## **Financial result and distribution of profit**

### **Article 87c**

The financial result - profit or loss of the Central Bank shall be determined for each financial year, as the difference between income and expenses which the Central Bank realises in exercising its tasks or functions.

A portion of profit in the amount of 50% of profit determined in accordance with paragraph 1 of this Article shall be allocated to general reserves.

A portion of profit may be allocated into special reserves in the amount determined by the Council and it may not exceed 10% of profit determined in accordance with paragraph 1 of this Article.

The remaining portion of profit shall make the revenue of the Budget of Montenegro.

## **Financial statements and appointment of auditor**

### **Article 87č**

The Central Bank shall draw up and publish financial statements in accordance with the accounting standards, rules and guidelines of the ECB.

A portion of monetary income of the ESCB and ECB incurred during the implementation of joint monetary policy determined by the ECB in accordance with the Statute of the ESCB and of the ECB shall be included in annual financial statements of the Central Bank.

Audit of the Central Bank's financial statements shall be performed by an independent external auditor.

The decision on the appointment of an independent external auditor to audit Central Bank's financial statements shall be passed in accordance with the provisions of Article 27 paragraph 1 of the Statute of the ESCB and of the ECB.

### **ECB guidelines and sanctions**

#### **Article 87dž**

The Central Bank may, in the areas from the ECB competence regulated by the ECB guidelines, pass regulations providing for the implementation thereof, subject to the approval of the ECB.

The Central Bank shall apply the ECB sanction system.

The Central Bank shall participate in the procedure of imposing ECB sanctions in accordance with the regulations of the ECB and other regulations of the authorities of the European Union.

The provisions of this Law governing misdemeanours shall not apply in cases when the actions constituting misdemeanours are subject to the ECB sanctions.

## **XI. PENALTY PROVISIONS**

### **Misdemeanours**

#### **Article 88**

A pecuniary penalty ranging from EUR 2,000 to EUR 20,000 shall be imposed on a credit institution if it miscalculates or fails to allocate and/or maintain reserve requirement (Article 18 paragraph 3);

For the misdemeanours referred to in paragraph 1 of this Article, a pecuniary penalty ranging from EUR 500 to EUR 2,000 shall also be imposed on a responsible person in the credit institution.

## **XII. TRANSITIONAL AND FINAL PROVISIONS**

### **Continuance of the Central Bank activities**

#### **Article 89**

The Central Bank established by the Law on the Central Bank of Montenegro (OGRM 52/00, 53/00, 47/01, 4/05) shall continue its activities under that law and shall continue with independent management, use and disposal of property acquired to the effective date of this Law.

### **Provision of initial capital**

#### **Article 90**

The initial capital referred to in Article 12 paragraph 1 of this Law shall be provided from the founding capital of the Central Bank set in the Law on the Central Bank of Montenegro (OGRM 52/00, 53/00, 47/01, 4/05) and from general reserves at the Central Bank's disposal as at the day of entry into force of this Law.

Should the funds referred to in paragraph 1 of this Article be insufficient to provide the initial capital of the Central Bank in the amount specified in Article 12 paragraph 1 of this Law, any shortfall in funds shall be provided from the Budget of Montenegro.

## **Application**

### **Article 90a**

The provision of Article 68 paragraph 4 of this Law shall apply to unrealised revaluation losses on the financial assets measured at fair value through other comprehensive income reported for 2022.

## **Compliance and passing of acts of the Central Bank**

### **Article 91**

The Central Bank shall bring its Statute into compliance with this Law within six months following the day of entry into force of this Law, and other acts referring to internal operation of the Central Bank no later than one year from the day of entry into force of this Law.

The Central Bank shall pass regulations and general acts within the powers granted to it under this Law no later than within one year following the day of entry into force of this Law.

Regulations and acts passed pursuant to the Law on the Central Bank of Montenegro (OGRM 52/00, 53/00, 47/01, 4/05) shall remain in effect until the passing of the Statute, regulations and acts referred to in paragraphs 1 and 2 of this Article.

## **Time limit for compliance of regulations**

### **Article 91a**

The Central Bank shall bring its regulations and general acts into compliance with this Law within one year following the day of entry into force of this Law.

The regulations and acts passed pursuant to the Central Bank of Montenegro Law (OGM 40/10, 6/13) shall remain in effect until the passing of the regulations and acts referred to in paragraph 1 of this Article.

## **Time limit for passing of acts of the Central Bank**

### **Article 91b**

Acts referred to in Article 24 paragraph 5 and Article 74 paragraph 1 of this Law shall be passed within six months following the day of entry into force of this Law.

Act referred to in Article 87z paragraph 2 of this Law shall be passed by Montenegro's accession to the European Union.

Acts adopted on the basis of the Central Bank of Montenegro Law (OGM 40/10, 6/13, 70/17) shall remain in effect until the passing of the acts referred to in paragraph 1 of this Article.

## **Time limit for the appointment of Advisory Committee**

### **Article 91c**

The Advisory Committee shall be appointed within one year following the day of entry into force of this Law.

## **Status of the members of the Council**

### **Article 92**

Members of the Council of the Central Bank pursuant to this Law shall be appointed within 90 days following the day of entry into force of this Law.

Until the appointment of the members of the Council referred to in paragraph 1 of this Article, functions of the members of the Council of the Central Bank shall be performed by members of the Council of the Central Bank appointed pursuant to the Law on the Central Bank of Montenegro (OGRM 52/00, 53/00, 47/01, 4/05).

## **Exercising of rights of the members of Council**

### **Article 93**

Provisions of Article 61 of this Law shall also apply to the executive officers of the Central Bank appointed pursuant to the Law on the Central Bank of Montenegro (OGRM 52/00, 53/00, 47/01, 4/05) being the members of the Council as at the day of entry into force of this Law.

## **Status of the members of the Council**

### **Article 93a**

The Vice-Governor for the Banking Supervision and the Vice-Governor for Financial Stability and Payment System appointed before the entry into force of this Law shall continue to act as the Vice-Governors until the expiry of their terms of office.

Until the passing of the decision on transferring certain tasks to the Vice-Governors in accordance with Article 45 paragraph 7 of this Law, the Vice-Governors referred to paragraph 1 of this Article shall continue to perform the activities that they have performed until the entry into force of this Law.

The Governor shall submit a proposal for appointing one Vice-Governor referred to in Article 46 paragraph 2 of this Law within 30 days following the day of entry into force of this Law.

## **Status of members of the Council of the Central Bank as of the day of Montenegro's accession to the European Union or European Monetary Union**

### **Article 93b**

The member of the Council of the Central Bank who has been appointed until the day of Montenegro's accession to the European Union, shall continue to perform that function until the expiry of their term of office.

The member of the Council of the Central Bank who has been appointed until the day of Montenegro's accession to the European Monetary Union, shall continue to perform that function until the expiry of their term of office.

## **Deferred Application**

### **Article 93c**

At the proposal of the Central Bank, the Parliament of Montenegro shall decide on the disposal of property referred to in Article 6 of this Law that exceeds the value of EUR 150.000.000 until the day of Montenegro's accession to the European Union.

Provisions of Articles 87a through 87l of this Law shall apply as of the day of Montenegro's accession to the European Union.

Provisions of Articles 87lj through 87dž of this Law shall apply as of the day of Montenegro's accession to the European Monetary Union.

### **Repealed law**

#### **Article 94**

The Law on the Central Bank of Montenegro (OGRM 52/00, 53/00, 47/01, 4/05), except the provisions of Article 1 paragraph 3 of that law that shall remain in effect until the passing of the special law regulating the legal tender in Montenegro, shall be repealed as of the day of entry into force of this Law.

### **Repealed provisions of this Law as of the day of Montenegro's accession to the European Union or European Monetary Union**

#### **Article 94a**

As of the day of Montenegro's accession to the European Union, provisions of Articles 4, 7, 15, 16, 28, 35 and 43, Article 44 paragraph 4, Articles 53, 55, 56, 75 and Article 76a paragraph 1 of this Law shall be repealed.

As of the day of Montenegro's accession to the European Monetary Union, provisions of Article 5 paragraphs 1 and 2, Articles 14, 18, 19, 20, 21, 22, 23, 24, 25, and 27, Article 44 paragraph 2, Articles 66, 67, 68 and 69, Article 71 paragraph 4, Article 76 and Article 88 of this Law shall be repealed.

### **Repealed provision of the law**

#### **Article 94b**

Provision of Article 4 paragraph 3 of the Law on the State Audit Institution (OGRM 28/04, 27/06, 78/06 and OGM 17/07, 31/14) shall be repealed as of the day of entry into force of this Law.

### **Entry into force**

#### **Article 95**

This Law shall enter into force on day of its publication in the Official Gazette of Montenegro.