

Pursuant to Article 82 item 2) and Article 91 paragraph 1 of the Constitution of Montenegro, the 27th Parliament of Montenegro at the fifth sitting of its second ordinary (fall) session in 2021 on 29 December 2021, passed the following

LAW

ON COMPARABILITY OF FEES RELATED TO CONSUMER PAYMENT ACCOUNTS, PAYMENT ACCOUNTS SWITCHING AND PAYMENT ACCOUNT WITH BASIC FEATURES

I. BASIC PROVISIONS

Subject matter

Article 1

This Law shall govern the transparency and comparability of fees related to consumer payment accounts, consumer payment accounts switching, and exercising the right to open and use payment accounts with basic features.

Application

Article 2

This Law shall apply to payment accounts through which the consumers are able at least to:

- 1) place funds in a payment account;
- 2) withdraw cash from a payment account; and
- 3) execute and receive payment transactions, including credit transfers, to and from a third party.

Non-discrimination

Article 3

When opening a payment account for a consumer legally resident in Montenegro, including accessing a payment account with basic features, any discrimination, direct or indirect, particularly on the basis of race, sex, genetic features, nationality, social origin, birth, religion, political or any other opinion, property, place of residence, culture, language, age, sexual orientation, and mental or physical disability, shall be prohibited.

Application of other law

Article 4

Provisions of the law governing the payment system shall apply to the rights and obligations of payment service providers and consumers regarding the issues relating to a payment account that are not governed by this Law.

Use of a gender sensitive language

Article 5

Terms and definitions used in this Law for natural persons in the masculine gender shall imply the same terms in the feminine gender.

Terms and definitions

Article 6

Terms and definitions used in this Law shall have the following meaning:

- 1) fees means all charges and costs, if any, payable by the consumer to the payment service provider for or in relation to services linked to a payment account;
- 2) deposit interest rate means any rate at which interest is paid to the consumer in respect of funds held in a payment account;
- 3) standing order means an instruction given by the payer to the payment service provider which operates the payer's payment account to execute credit transfers at regular intervals or on predetermined dates;

- 4) overdraft facility means an explicit credit agreement whereby a payment service provider makes available to a consumer funds which exceed the amount of funds available in the consumer's payment account;
- 5) overrunning means a tacitly accepted overdraft whereby a payment service provider makes available to a consumer funds which exceed the current balance in the consumer's payment account or the agreed overdraft facility;
- 6) services linked to the payment account means all services related to the opening, operating and closing of a payment account, including payment services and payment transactions based on paper cheques and paper-based drafts in accordance with the Geneva Convention of 19 March 1931 providing a Uniform Law for Cheques and the Geneva Convention of 7 June 1930 providing a uniform law for bills of exchange and promissory notes, and similar paper cheques and paper-based drafts governed by the laws of Member States which are not party to these conventions, paper-based vouchers, paper-based traveller's cheques, paper-based postal money orders as defined by the Universal Postal Union, as well as overdraft facilities and overrunning;
- 7) payment accounts switching means:
- a) transferring from one payment service provider to another either the information about all or some standing orders for credit transfers, recurring direct debits and recurring incoming credit transfers executed on a payment account,
 - b) transferring any available funds from a payment account held with one payment service provider to the payment account held with another payment service provider, or
 - c) transferring information and transferring available funds in accordance with sub-items a) and b) of this item, with or without cancelling the former payment account;
- 8) legally resident in Montenegro means the stay of a natural person in Montenegro in accordance with regulations governing permanent and/or temporary place of residence, or the stay of foreign nationals in accordance with the law governing the rights of foreign nationals, including a foreign national staying in Montenegro in accordance with the laws governing international and temporary protection of foreign nationals or pursuant to an international agreement;
- 9) competent authority means an authority designated as competent by a Member State.

II. TRANSPARENCY AND COMPARABILITY OF FEES CONNECTED WITH PAYMENT ACCOUNTS

List of the most representative services linked to a payment account

Article 7

List of the most representative services shall contain terms and definitions for each of the services linked to a payment account of at least 10 and no more than 20 of the most representative services linked to a payment account (hereinafter: the list of the most representative services), which are subject to a fee paid by the consumer, offered by at least one payment service provider in Montenegro, and published on their website.

When establishing the list of the most representative services, the following shall be taken into account:

- the services that are most commonly used by consumers in relation to their payment account, and
- the services that generate the highest cost for consumers.

The list of the most representative services shall be established and, where appropriate, updated by the Central Bank of Montenegro (hereinafter: the Central Bank).

Fee information document

Article 8

A payment service provider shall, in good time before entering into a framework contract for a payment account with a consumer, provide the consumer with a fee information document on paper or another durable medium containing the fees for the most representative services linked to a payment account (hereinafter: the fee information document), containing the list of services from the list of the most representative services offered by the payment service provider and the corresponding fees and interest for each service.

The payment service provider shall, along with the fee information document, provide to the consumer prior information for the conclusion of a framework contract in accordance with the provisions of the law governing the payment system.

The fee information document shall:

- 1) contain the titles of all services included in the list of most representative services and the corresponding fees for the services contained in that lists that the payment service provider offers, and where payment service provider does not offer one or more of those services, the designation that the service is unavailable;
- 2) be a short and stand-alone document;
- 3) be presented and laid out in a way that is clear and easy to read, using characters of a readable size;
- 4) be no less comprehensible in the event that, having been originally produced in colour, it is printed or photocopied in black and white;
- 5) be accurate, shall not be misleading;
- 6) be expressed in euros or in another currency only if agreed by the payment service provider and the consumer;
- 7) contain the title 'Fee Information Document' at the top of the first page next to a payment service provider logo in order to distinguish the document from other documentation;
- 8) include a statement that it contains fees for the most representative services from the list of the most representative services and that detailed pre-contractual and contractual information on all services, including the services that are not contained in the list, is provided in other documents, and
- 9) be written in Montenegrin language or, if agreed by the payment service provider and the consumer, in another language.

Where one or more services are offered as part of a package of services linked to a payment account, the fee information document shall disclose the fee for the entire package, the services included in the package and their quantity, and the additional fee for any service that exceeds the quantity covered by the package fee.

Payment service provider shall deliver to the Central Bank the fee information document and any supplements and amendments thereto no later than three days from the day of their drafting.

The Central Bank may prescribe the appearance and the format of the fee information document.

Glossary of payment services

Article 9

Payment service provider shall make available to a consumer a glossary of payment services that must include the terms and definitions of services from the list of the most representative services, and other definitions, if any.

The glossary of payment services shall be drafted:

- 1) in clear, unambiguous and non-technical language and shall not be misleading, and
- 2) in Montenegrin language or in another language agreed by the payment service provider and the consumer.

Availability of the fee information document and the glossary of payment services

Article 10

The fee information document and the glossary shall be made available to a consumer at any time by a payment service provider, and they shall be provided in an easily accessible manner, including to a non-customer of that payment service provider, specifically in:

- 1) electronic form on their website, and
- 2) the premises of the payment service provider accessible to the consumer.

The payment service provider shall also provide the fee information document and the glossary of payment services on paper or another durable medium that the payment service provider usually uses for such purposes free of charge upon request by a consumer.

Statement of fees

Article 11

The payment service provider shall provide the consumer, at least annually and free of charge, with a statement of all fees and interest rates incurred for services linked to a payment account (hereinafter: the statement of fees).

Provisions of paragraph 1 of this Article shall not affect the application of the provisions of the law governing the payment system that pertain to the information requirement for executed payment transactions, and the provisions of the law governing consumer loans that pertain to obligations arising from credit agreements in the form of an overdraft facility.

The payment service provider shall provide the statement of fees on paper upon the request of the consumer.

The communication channel used to provide the statement of fees shall be specified in the framework contract for a payment account.

Statement of fees content

Article 12

The statement of fees shall contain in particular:

- 1) the unit fee charged for each service and the number of times the service was used during the reporting period, and where the services are combined in a package, the fee charged for the package as a whole, the number of times the package fee was charged during the reporting period and the additional fee charged for any service exceeding the quantity covered by the package fee;
- 2) the total amount of fees incurred during the reporting period for each service, each package of services provided and services exceeding the quantity covered by the package fee;
- 3) the overdraft interest rate applied to the payment account and the total amount of interest charged relating to the overdraft during the relevant period, where applicable;
- 4) the deposit interest rate applied to the payment account and the total amount of interest earned by the consumer during the reporting period, and
- 5) the total amount of all fees charged for all services provided during the reporting period.

The statement of fees shall:

- 1) be presented and laid out in a way that is clear and easy to read, using characters of a readable size;
- 2) to the extent possible, use the terms defined in the list of the most representative services;
- 3) be accurate, and shall not be misleading;
- 4) be expressed in euros or in another currency only if agreed by the payment service provider and the consumer;
- 5) be a separate document titled “Statement of Fees” at the top of the first page of the statement next to a payment service provider in order logo to distinguish the document from other documentation; and
- 6) be written in Montenegrin language or, if agreed by the payment service provider and the consumer, in another language.

The payment service provider shall provide to the consumer, along with the statement of fees, information in accordance with the provisions of the law governing the payment system.

The Central Bank may prescribe the appearance and the format of the statement of fees.

Information for consumers

Article 13

Payment service provider shall use in their pre-contractual and marketing information to consumers, as well as in the contracts concluded with the consumer, the terms set out in the list of the most representative services.

In addition to the terms set out in the list of the most representative services, the payment service provider may use brand names in the fee information document and in the statement of fees, provided such brand names are used as a secondary designation of those services.

When marketing and contracting the services established in the list of the most representative services, the payment service providers may use brand names to designate their services, provided that they clearly identify the corresponding services set out in the list.

Comparison website

Article 14

The Central Bank shall publish on its website free of charge the comparable data on fees charged by payment service providers to the consumers for at least the services included in the list of the most representative services.

The website referred to in paragraph (1) of this Article should:

- 1) be operationally independent by ensuring that all payment service providers are given equal treatment in search results;
- 2) clearly disclose that it is owned by the Central Bank;
- 3) set out clear and objective criteria on which the comparison will be based;

- 4) use plain and unambiguous language and, as a rule, the terms set out in the list of the most representative services;
- 5) provide accurate and up-to-date information and state the time of the last update;
- 6) include a broad range of payment account offers covering a significant part of the market and, where the information presented is not a complete overview of the market, a clear statement to that effect, before displaying results on the comparison of fees; and
- 7) provide an effective procedure to report incorrect information on published fees.

Payment service provider shall provide on their website a link to the website referred to in paragraph 1 of this Article.

Payment service provider shall, upon a Central Bank request, in addition to data contained in the fee information document, submit other data needed for publishing comparable data on fees, in a manner and within the timeframe set by the Central Bank.

Payment accounts packaged with another product or service

Article 15

Where a service of a payment account opening and operating is offered as part of a package together with another product or service which is not linked to a payment account, the payment service provider shall inform the consumer whether it is possible to open the payment account separately and provide separate information regarding the costs and fees associated with each of the other products and services offered in that package that can be purchased separately.

III. SWITCHING

Provision of switching service

Article 16

Payment service providers shall provide a switching service between payment accounts held in the same currency to any consumer who opens or holds a payment account with a payment service provider located in the territory of Montenegro.

Switching service

Article 17

In order to switch the payment account, the consumer shall submit a request to the payment service provider (hereinafter: the receiving payment service provider).

When switching a payment account, the payment service provider with which the consumer opens or holds a payment account that they want to switch (hereinafter: the transferring payment service provider) shall do the following with respect to the receiving payment service provider:

- 1) transmit the available information about all or individual standing orders for credit transfers, recurring direct debits and recurring incoming credit transfers executed on a payment account, and/or
- 2) transfer any available funds from the payment account that the consumer holds with the transferring payment service provider to the payment account that the consumer opens or holds with the receiving payment service provider, with or without cancelling the payment account held with the transferring payment service provider.

When switching a payment account, the payment account number that the consumer held with the transferring payment service provider shall not be transferred to the payment account that the consumer opens or holds with the receiving payment service provider.

Consumer's switching authorisation

Article 18

The receiving payment service provider shall initiate the switching service upon receipt of the authorisation for payment account switching (hereinafter: the authorisation) from the consumer.

In the case of two or more holders of the account, the switching shall be initiated after the authorisation is obtained from each of them.

The authorisation shall be made in writing, in Montenegrin language or in any other language agreed between the parties, and the receiving payment service provider shall provide a counterpart or a copy of the authorisation to the consumer immediately upon the receipt of the authorisation.

The authorisation shall allow the consumer to provide consent to the performance by the transferring payment service provider and by the receiving payment service provider of all or each of the tasks related to switching that the providers are required to provide in accordance with this Law.

The authorisation shall specify:

- standing order, direct debit mandates, incoming credit transfers and other payment services the execution of which is transferred to the payment account opened or held with the receiving payment service provider, and
- the date from which standing orders and direct debits are to be executed from the payment account opened or held with the receiving payment service provider, whereby that date shall be at least six business days after the date on which the receiving payment service provider receives the documents transferred from the transferring payment service provider.

Initial obligations of the receiving payment service provider

Article 19

Within two business days from the receipt of the authorisation, the receiving payment service provider shall submit a request to the transferring payment service provider to carry out the following tasks, if provided for in the consumer's authorisation:

- 1) transmit to the receiving payment service provider and, if specifically requested by the consumer, to the consumer, a list of the existing standing orders for credit transfers and available information on direct debit mandates that are being switched;
- 2) transmit to the receiving payment service provider and, if specifically requested by the consumer, to the consumer, the available information about recurring incoming credit transfers and creditor-driven direct debits executed on the consumer's payment account in the previous 13 months;
- 3) where the transferring payment service provider does not provide a system for automated redirection of the incoming credit transfers and direct debits to the payment account opened or held by the consumer with the receiving payment service provider, stop accepting direct debits and incoming credit transfers with effect from the date specified in the authorisation;
- 4) cancel standing orders with effect from the date specified in the authorisation;
- 5) transfer any available funds from the payment account opened or held by the consumer with the receiving payment service provider on the date specified by the consumer; and
- 6) require that the payment account held with the transferring payment service provider is closed on the date specified by the consumer.

Obligations of the transferring payment service provider

Article 20

Upon receipt of a request referred to in Article 19 of this Law from the receiving payment service provider, the transferring payment service provider shall carry out the following tasks, if provided for in the consumer's authorisation:

- 1) send the receiving payment service provider the information referred to in Article 19 paragraph 1 items 1) and 2) of this Law within five business days from the receipt of a request from the the receiving payment service provider;
- 2) where the transferring payment service provider does not provide a system for automated redirection of the incoming credit transfers and direct debits to the payment account held or opened by the consumer with the receiving payment service provider, stop accepting incoming credit transfers and direct debits on the payment account with effect from the date specified in the authorisation, of which the transferring payment service provider shall inform the payer or the payee participating in the transaction;
- 3) cancel standing orders with effect from the date specified in the authorisation;
- 4) transfer any available funds from the payment account to the payment account opened or held with the receiving payment service provider on the date specified in the authorisation, and
- 5) without prejudice to the provisions of the law governing the payment system pertaining to the consumer's period of notice, close the payment account on the date specified in the authorisation if the consumer has no outstanding obligations on that payment account and provided that the actions listed in items 1), 2) and 4) of

this paragraph have been completed, and the payment service provider shall immediately inform the consumer where such outstanding obligations prevent the consumer's payment account from being closed.

The transferring payment service provider shall not block a payment instrument before the date specified in the consumer's authorisation, so that the provision of payment services to the consumer is not interrupted in the course of payment account switching.

Provisions of paragraph 2 of this Article shall not affect the application of the provisions of the law governing the payment system pertaining to the limits on the use of payment instrument.

Obligations of the receiving payment service provider upon the receipt of requested information

Article 21

Within five business days of receipt of the information requested from the transferring payment service provider, the receiving payment service provider shall, in accordance with the authorisation carry out the following tasks:

- 1) activate the standing orders specified by the consumer in the authorisation and execute them with effect from the date specified in the authorisation;
- 2) provide conditions for executing direct debits that the payment service user has specified in the authorisation with effect from the date specified in the authorisation;
- 3) inform the consumer on other contractual rights regarding the execution of direct debits (e.g. the right to reduce the amount of direct debit, to give consent to each individual direct debit, to block any direct debit);
- 4) inform payers specified in the authorisation and initiating recurring incoming credit transfers of the details of the consumer's payment account with the receiving payment service provider and transmit to the payers a copy or a counterpart of the consumer's authorisation, and if the receiving payment service provider does not have all the information it needs to inform the payers, it shall ask the consumer or the transferring payment service provider to provide the missing information; and
- 5) inform payees specified in the authorisation and initiating a payment transaction for direct debit to the consumer's payment account of the details of the consumer's payment account with the receiving payment service provider and the date from which direct debits are to be collected from that payment account and transmit to the payees a copy or a counterpart of the consumer's authorisation, and if the receiving payment service provider does not have all the information it needs to inform the payees, it shall ask the consumer or the transferring payment service provider to provide the missing information.

Where the consumer chooses to personally provide the information referred to in paragraph 1 items 4) and 5) of this Article to the payers and/or payees, the receiving payment service provider shall provide the consumer, within the deadline referred to in the paragraph 1 of this Article, with a written notification which must provide details of the payment account and the date specified in the consumer's authorisation from which the receiving payment service provider shall commence the execution of recurring incoming credit transfers and direct debits.

Fees connected with the switching service

Article 22

The transferring payment service provider and the receiving payment service provider shall provide the consumer with access free of charge to all available information regarding existing standing orders and direct debits held by either the transferring or the receiving payment service provider.

The transferring payment service provider shall not charge a fee to the consumer or the receiving payment service provider for the provision of information requested from the transferring payment service provider by the receiving payment service provider in accordance with Article 19 of this Law.

The fee for the termination of the payment account shall be subject to the provisions of the law governing the payment system operations.

The fees that the transferring or the receiving payment service provider may charge to the payment service user for any service referred to in Articles 20 and 21 of this Law, other than those referred to in paragraphs 1 to 3 of this Article, shall be reasonable and in line with the actual costs of that payment service provider.

Liability of the payment service provider

Article 23

Payment service provider involved in the switching process shall refund to the consumer any material damage, including charges and interest, incurred by the consumer and resulting directly from the full or partial

non-compliance of a payment service provider with its obligations referred to in Articles 19, 20 and 21 of this Law, without delay.

Liability of the payments service provider shall not apply in cases of extraordinary and unforeseeable circumstances beyond the control of the payment service provider pleading for the application of those circumstances, the consequences of which would have been unavoidable despite all due diligence, or where a payment service provider was bound to apply another regulation.

The liability of the payment service provider shall be determined in accordance general rules applied to liability for damages.

Information about the switching service

Article 24

A payment service provider shall make available to a consumer the following information about the switching service:

- 1) the obligations and liabilities of the transferring and receiving payment service providers for each step of the switching process, as indicated in Articles 18 to 20 of this Law;
- 2) the time-frame for completion of each respective step in the switching process;
- 3) the fees, if any, charged in the switching process;
- 4) any information that the consumer will be asked to provide; and
- 5) right to out-of-court dispute settlement procedures in accordance with the law.

The payment service provider shall also make available to the consumer other information, including, where applicable, the information on the deposit guarantee scheme of which the payment service provider is a member.

The information referred to in paragraph 1 of this Article shall be made available free of charge on paper or another durable medium at all premises of the payment service provider accessible to consumers, and shall be available in electronic form on its website at all times, and shall be provided to consumers on request.

IV. PAYMENT ACCOUNT WITH BASIC FEATURES

Credit institutions opening payment account with basic features

Article 25

Payment accounts with basic features shall be opened and operated by credit institutions established in Montenegro that meet the criteria specified in the Central Bank regulation.

Credit institutions established in Montenegro that fail to meet the criteria referred to in paragraph 1 of this Article may decide to offer payment accounts with basic features to consumers, provided that they act in accordance with Articles 26 to 31 of this Law.

The credit institution referred to in paragraphs 1 and 2 of this Article (hereinafter: the credit institution) shall offer payment accounts with basic features to consumers in order to guarantee the availability of these accounts for all consumers in the territory of Montenegro and prevent the disruption of competition in Montenegrin market.

Right of access to a payment account with basic features

Article 26

A consumer legally resident in Montenegro, including a consumer with no fixed address and an asylum seeker, and a consumer who is not granted a residence permit but whose expulsion is impossible for legal or factual reasons, shall have the right to open and use a payment account with basic features with a credit institution, irrespective of the consumer's place of residence in Montenegro.

Opening a payment account with basic features

Article 27

A credit institution shall, upon a consumer's application, open the payment account with basic features or refuse the application, without undue delay and at the latest 10 business days after receiving a complete application.

A credit institution shall refuse a consumer's application referred to in paragraph 1 of this Article, where opening such an account would be in contravention of the regulations governing the prevention of money laundering and terrorist financing.

In the case of refusal of the application due to reasons referred to in paragraph 2 of this Article, the credit institution shall inform the authority competent for the prevention of money laundering and terrorist financing thereof, and conduct other procedures in accordance with regulations governing the prevention of money laundering and terrorist financing.

A credit institution may refuse a consumer's application for such an account where the consumer already holds a payment account in the territory of Montenegro which allows him to make use of the services listed in Article 28 paragraph 1 of this Law.

Before opening a payment account with basic features, the credit institution may verify whether the consumer holds a payment account with another credit institution which enables the consumer to make use of the services listed in Article 28 paragraph 1 of this Law, and it may also accept a written statement of the consumer declaring that they do not hold a payment account in Montenegro or that a payment account will be closed.

Credit institutions shall cooperate in the process of verification referred to in paragraph 5 of this Article.

In the case of refusal of the consumer's application for opening a payment account with basic features, the credit institution shall immediately transmit to the consumer a notification of the refusal and of the specific reason for that refusal, in writing and free of charge, unless such disclosure would be contrary to objectives of national security, public interest or regulations governing the prevention of money laundering and terrorist financing.

In the event of refusal of the consumer's application for opening a payment account with basic features, the credit institution shall advise the consumer of their right to out-of-court settlement of disputes, in accordance with the law.

A credit institution shall not make the opening of a payment account with basic features conditional on the purchase of additional services.

Characteristics of a payment account with basic features

Article 28

A payment account with basic features shall include the following:

- 1) services enabling the opening, operating and closing of a payment account;
- 2) services enabling funds to be placed in a payment account;
- 3) services enabling cash withdrawals from a payment account at the counter or at automated teller machines during or outside the credit institution's business hours, and
- 4) execution of the following payment transactions:
 - direct debits,
 - payment transactions through a payment card, including online payments, and
 - credit transfers, including standing orders, at, where available, terminals and counters and via the online facilities.

A credit institution shall not offer to the consumer services referred to in paragraph 1 of this Article within a payment account with basic features to an extent less than that it already offers within a payment account other than a payment account with basic features.

A payment account with basic features shall be offered in the currency that is the legal tender in Montenegro.

A payment account with basic features shall allow the consumer to execute an unlimited number of payment transactions and other operations in relation to the services referred to in paragraph 1 of this Article.

A payment account with basic features must enable the consumer to initiate and execute payment transactions in the credit institution's premises and/or via online facilities, where available.

A credit institution shall not make available to a consumer funds which exceed the current balance in the consumer's payment account, or agree an overdraft facility relating to that account.

Fees associated with payment account with basic features

Article 29

For services referred to in Article 28 paragraph 1 of this Law, a credit institution may charge the consumer fees under the usual pricing policy and not above the amount charged to holders of other payment accounts.

A credit institution shall provide services referred to in Article 28 paragraph 1 of this Law free of charge or at a reasonable fee, other than payment transactions with payment cards for which it may charge fees in accordance with its usual pricing policy.

A credit institution shall establish the reasonable fee referred to in paragraph 2 of this Article taking into account at least the following criteria:

- 1) average net income in Montenegro, as per the data provided by state administration statistics authority, and
- 2) average fee charged by credit institutions in Montenegro to consumers for the service concerned in connection with other payment accounts.

Credit institutions shall also charge reasonable fees to the consumer in the case of consumer's non-compliance with the commitments laid down in the framework contract.

Notwithstanding paragraph 2 of this Article, the credit institution shall provide services referred to in Article 28 paragraph 1 items 1), 2), and 3) of this Law and the first ten national payment transactions to vulnerable consumers free of charge, and for other services referred to in Article 28 paragraph 1 item 4) of this Law, the credit institution may charge a fee up to a maximum of 70% of the fee charged to other holders of accounts for payment with basic features.

Vulnerable consumers are: beneficiaries of the minimum wage, material security, personal disability allowance, care allowance and unemployment insurance benefits, who exercise these rights in accordance with laws governing labour, personnel placement, rights to unemployment benefits, and social and child protection.

A credit institution shall publish the tariff at which it charges the fees for services referred to in Article 28 paragraph 1 of this Law in its business premises intended for work with consumers and on its website.

Credit institutions shall submit to the Central Bank the data on fees connected to the payment account with basic features no later than three business days from the day of determining the tariff for these services.

In the case where a credit institution refuses to execute an authorised payment transaction due to insufficient funds available on the payment account with basic features, it shall not charge the consumer a fee for refusing to execute that transaction.

Termination of a framework contract for a payment account with basic features

Article 30

A credit institution may unilaterally terminate a framework contract for a payment account with basic features, where at least one of the following conditions is met:

- 1) the consumer deliberately used the payment account for illegal purposes;
- 2) there has been no transaction on the payment account for more than 24 consecutive months;
- 3) the consumer provided incorrect information in order to obtain the right to the payment account;;
- 4) the consumer is no longer legally resident in Montenegro, and
- 5) the consumer has subsequently opened a second payment account which allows the consumer to make use of the services listed in Article 28 paragraph 1 of this Law.

Where a credit institution terminates the framework contract for a payment account with basic features in accordance with paragraph 1 items 2), 4), and 5) of this Article, it shall inform the consumer of the grounds for the termination at least two months before the termination enters into force, in writing and free of charge, unless such disclosure would be contrary to objectives of national security or public interest.

Where the credit institution terminates the framework contract for a payment account with basic features in accordance with paragraph 1 items 1) and 3) of this Article, its termination shall take effect as of the moment the consumer is submitted the notification on the termination of that contract.

The credit institution shall specify in the notification of termination of the framework contract for a payment account with basic features information on the consumer's right to the out-of-court settlement of disputes in accordance with the law.

General information on payment accounts with basic features

Article 31

Credit institutions shall inform the Central Bank of their offer of payment accounts with basic features to consumers.

The Central Bank shall publish on its website information on the names of credit institutions that offer payment accounts with basic features to consumers, the conditions and the manner of exercising the right to a payment account with basic features, fees associated to such accounts, and the consumer's right to out-of-court settlement of disputes, in accordance with the law.

A credit institution shall make easily available to a consumer in electronic form on its website and in its premises accessible to the consumer, free of charge, information and provide clarification about the specific features of the payment account with basic features, conditions of use, and the fees associated with that account.

A credit institution shall provide the information referred to in paragraph 3 of this Article in a manner that makes clear to the consumer that the purchase of additional services is not compulsory in order to open and operate a payment account with basic features.

V. COMPETENT AUTHORITIES AND OUT-OF-COURT SETTLEMENT OF DISPUTES

Competent authority

Article 32

Supervision of payment service providers' operations in accordance with this Law, including the supervision of compliance with confidentiality requirements, shall be performed by the Central Bank, in a manner and under a procedure prescribed by laws governing the operations of credit institutions and the payment system.

Where in the supervision procedure referred to in paragraph 1 of this Article, the Central Bank finds that a supervised entity has acted in contravention to this Law, the Central Bank shall impose measures upon that entity that are in accordance with the laws governing the operations of credit institutions and the payment system.

Reporting to the Central Bank

Article 33

The Central Bank may, for statistical purposes and/or for the purposes of supervision, prescribe an obligation of reporting on the payment service provider's activities in accordance with this Law, as well as the content, deadlines, and the manner of delivery of those reports.

Payment service providers shall report to the Central Bank in accordance with the regulation of paragraph 1 of this Article.

Out-of-court settlement of disputes

Article 34

Where a consumer finds that the payment service provider acts in contravention with the provisions of this Law, they shall be entitled to complain to the payment service provider.

The consumer referred to in paragraph 1 of this Article shall also be entitled to the protection of their rights and interests by means of out-of-court settlement of disputes, which includes the right to complain to the Central Bank and the right to out-of-court settlement of disputes, in accordance with the laws governing the operations of credit institutions, payment system, and consumer protection.

VI. RIGHTS AND OBLIGATIONS AFTER ACCESSION OF MONTENEGRO TO THE EUROPEAN UNION

List of the most representative services linked to a payment account

Article 35

A list of the most representative services, harmonised with the standardised terminology established by the European Commission at the proposal of the European Banking Authority (hereinafter: EBA), shall be set by the Central Bank and published on its website.

Every four years, the Central Bank shall assess and, where appropriate, update the list of the most representative services.

The Central Bank shall report to the European Commission and the EBA on the results of its assessment and the updated list of the most representative services.

Fee information document template

Article 36

A payment service provider established in Montenegro shall provide the consumer with a fee information document on a template established by the European Commission at the proposal of the EBA.

Facilitation of cross-border account-opening for consumers

Article 37

Where a consumer decides to open a payment account with a payment service provider established in another European Union Member State, the payment service provider established in Montenegro with which the consumer holds a payment account shall on receipt of such request perform the following activities:

- 1) provide the consumer free of charge with a list of all the currently active standing orders for credit transfers and direct debit mandates given to such payment service provider, and with available information about recurring incoming credit transfers and creditor-driven direct debits based on which the consumer's payment account was credited or debited in the previous 13 months, whereby the payment service provider established in another Member State shall not have an obligation to provide any services from the list that it does not have on offer;
- 2) transfer any available funds from the former payment account to the payment account opened by the consumer with the payment service provider established in another Member State, provided that the request includes all necessary information allowing that payment service provider and the consumer's payment account held with that payment service provider to be identified;
- 3) close the payment account held by the consumer.

The payment service provider established in Montenegro with which the consumer holds a payment account, where the consumer does not have outstanding liabilities on the payment account, shall perform the activities referred to in paragraph 1 of this Article on the date specified by the consumer, which shall be at least six business days after that payment service provider receives the consumer's request unless otherwise agreed between the parties or unless the framework contract based on which the payment account was opened provides for a longer period in accordance with the law governing the payment system.

The payment service provider established in Montenegro with which the consumer holds a payment account shall immediately inform the consumer where outstanding liabilities prevent their payment account from being closed.

Statement of fees template

Article 38

The payment service provider established in Montenegro shall submit to the consumer a statement of fees on a template set by the European Commission at the proposal of the EBA.

Right to a payment account with basic features

Article 39

A consumer legally resident in the European Union, including a consumer with no fixed address and an asylum seeker, and a consumer who is not granted a residence permit but whose expulsion is impossible for legal or factual reasons, shall have the right to open and use a payment account with basic features with a credit institution established in Montenegro, irrespective of the consumer's place of residence in the European Union territory.

Legal residence in the European Union, within the meaning of paragraph 1 of this Article, shall mean a natural person's right to reside in a European Union Member State on the basis of the European Union regulations or national legislation, including a natural person with no fixed address and an asylum seeker on the basis of the Geneva Convention Relating to the Status of Refugees of 28 July 1951 and its Protocol of 31 January 1967, and other relevant international treaties.

Provision of Article 3 of this Law shall apply when opening and operating the account referred to in paragraph 1 of this Article.

Provisions of Article 30 of this Law shall apply *mutatis mutandis* to the termination of the framework contract for a payment account referred to in paragraph 1 of this Article, whereby the fact that a consumer referred to in paragraph 1 of this Article no longer has legal residence in the European Union territory shall be a sufficient condition for the termination of the contract.

Cooperation with competent authorities of the European Union and other Member States

Article 40

The Central Bank shall cooperate with the European Commission, the European Central Bank, national central banks of other Member States, and other Member States' bodies responsible for carrying out supervision, i.e. oversight of the payment service providers regarding the obligations pertaining to the transparency and comparability

of fees charged to consumers in relation to payment accounts, observance of the rights of consumers when switching payment accounts, and the manner of exercising their right to open and use payment accounts with basic features.

In exercising the cooperation referred to in paragraph 1 of this Article, the Central Bank shall be authorised to contact other competent authorities referred to in that paragraph, of which it shall inform the European Commission and the competent authorities of other Member States.

Cooperation with the competent authorities referred to in paragraph 1 of this Article shall consist in providing mutual assistance, and in particular in the exchange of data and information and the implementation of supervisory and oversight activities.

The exchange of data and information referred to in paragraph 3 of this Article between the Central Bank and the competent authorities of other Member States designated as a contact point shall be carried out without undue delay.

When providing data to a competent authority of another Member State, the Central Bank may indicate that the data and information referred to in paragraph 3 of this Article may be exchanged with third parties only with its express consent and for the purpose for which the Central Bank gave its consent.

The Central Bank may not exchange with third parties data and information obtained within cooperation referred to in paragraph 3 of this Article without the express consent of the competent authorities that provided the data and information and may exchange them solely for the purposes for which those authorities gave their consent, except in duly justified circumstances in which case the Central Bank shall immediately inform the competent authority that supplied the data and information.

The Central Bank may obtain the data and information referred to in paragraph 3 of this Article for the purpose of performing and improving supervision, i.e. oversight, decision-making in administrative procedures and performing other tasks determined by law.

The Central Bank may refuse to act on a request for cooperation referred to in paragraph 3 of this Article or for the exchange of data and information only where:

- 1) such a supervisory or oversight activity or exchange of information might adversely affect the sovereignty, security or public order of Montenegro;
- 2) judicial proceedings have already been initiated in respect of the same persons and the same actions before other competent authorities of Montenegro;
- 3) final judgement has already been delivered in Montenegro in respect of the same persons and the same actions.

The Central Bank shall inform the competent authority of the other Member State that requested the cooperation about the refusal and the reasons for the refusal of cooperation referred to in paragraph 8 of this Article.

The Central Bank may request EBA's mediation where a competent authority of another Member State has rejected the request for cooperation or has not acted upon such request within a reasonable time.

VII. PENALTY PROVISIONS

Misdemeanours

Article 41

A credit institution - legal person shall be fined between 5.000 euros to 30.000 euros where:

- 1) it fails to, upon a consumer's application, open the payment account with basic features or refuse the application, without undue delay and at the latest 10 business days after receiving a complete application (Article 27 paragraph 1);
- 2) it makes the opening of a payment account with basic features conditional on the purchase of additional services (Article 27 paragraph 9);
- 3) it makes available to a consumer funds which exceed the current balance in the consumer's payment account with basic features, or agree an overdraft facility relating to that account (Article 28 paragraph 6);
- 4) for services referred to in Article 28 paragraph 1 of this Law, it charges the consumer a fee that it usually does not charge under the usual pricing policy and/or it charges the consumer a fee above the amount charged to holders of other payment accounts (Article 29 paragraph 1);
- 5) it charges the consumer fees contrary to Article 29 paragraphs 2, 4, and 5 of this Law;
- 6) it fails to publish the tariff at which it charges the fees for services referred to in Article 28 paragraph 1 of this Law in its business premises intended for work with consumers and on its website (Article 29 paragraph 7);

- 7) it fails to submit to the Central Bank the data on fees connected to the payment account with basic features no later than three business days from the day of determining the tariff for these services (Article 29 paragraph 8);
- 8) in the case where it refuses to execute an authorised payment transaction due to insufficient funds available on the payment account with basic features, it charges the consumer a fee for refusing to execute that transaction (Article 29 paragraph 9);
- 9) it terminates the framework contract for a payment account with basic features in accordance with Article 30 paragraph 1 items 2), 4), and 5), without informing the consumer of the grounds for the termination at least two months before the termination enters into force, in writing and free of charge (Article 30 paragraph 2);
- 10) it fails to inform the Central Bank of their offer of payment accounts with basic features to consumers (Article 31 paragraph 1);
- 11) it fails to make available to a consumer, free of charge, accessible information and provide clarification in accordance with Article 31 paragraph 3 of this Law

A responsible person in the credit institution shall also be fined between 1.000 euros and 2.000 euros for a misdemeanour referred to in paragraph 1 of this Article.

Article 42

A payment service provider - legal person shall be fined between 2.500 euros to 30.000 euros where:

- 1) it fails to provide the consumer with a fee information document in accordance with Article 8 paragraph 1 of this Law;
- 2) along with the fee information document, it fails to provide to the consumer prior information for the conclusion of a framework contract in accordance with the provisions of the law governing the payment system (Article 8 paragraph 2);
- 3) it fails to write the fee information document in accordance with Article 8 paragraphs 3 and 4 of this Law;
- 4) it fails to deliver to the Central Bank the fee information document and any supplements and amendments thereto no later than three days from the day of their preparation (Article 8 paragraph 5);
- 5) the glossary of payment services does not include the terms and definitions of services from the list of the most representative services, and other definitions, if any (Article 9 paragraph 1);
- 6) the glossary of payment services referred to in Article 9 paragraph 1 of this Law is not written in accordance with Article 9 paragraph 2 of this Law;
- 7) it fails to make available to the consumer the fee information document and the glossary of payment services in accordance with Article 10 of this Law;
- 8) it fails to make available to the consumer the statement of fees in accordance with Article 11 of this Law;
- 9) it fails to compile the statement of fees in accordance with Article 12 paragraphs 1 and 2 of this Law;
- 10) it fails to use in its pre-contractual and marketing information to consumers, as well as in the contracts concluded with the consumer, the terms set out in the list of the most representative services (Article 13 paragraph 1);
- 11) it fails to provide on its website a link to the website referred to in Article 14 paragraph 1 of this Law (Article 14 paragraph 3);
- 12) it fails to, upon a Central Bank request, in addition to data contained in the fee information document, submit other data needed for publishing comparable data on fees, in a manner and within the timeframe set by the Central Bank (Article 14 paragraph 4);
- 13) it fails to inform the consumer whether it is possible to open the payment account separately and provide separate information regarding the costs and fees associated with each of the other products and services offered in that package that can be purchased separately (Article 15);
- 14) it refuses to provide a switching service between payment accounts held in the same currency to any consumer who opens or holds a payment account with a payment service provider located in the territory of Montenegro (Article 16);
- 15) as the transferring payment service provider it fails to transmit the information and transfer funds to the receiving payment service provider in accordance with Article 17 paragraph 2 of this Law;
- 16) as the receiving payment service provider it fails to initiate the switching service upon receipt of the authorisation for payment account switching from the consumer (Article 18 paragraph 1);

17) as the receiving payment service provider, within two business days from receipt of the authorisation, it fails to submit a request to the transferring payment service provider to carry out the tasks in accordance with Article 19 of this Law, if provided for in the consumer's authorisation;

18) as the transferring payment service provider it fails to carry out the tasks in accordance with Article 20 paragraph 1 of this Law, upon receipt of a request referred to in Article 19 of this Law from the receiving payment service provider;

19) as the transferring payment service provider it blocks a payment instrument before the date specified in the consumer's authorisation (Article 20 paragraph 2);

20) as the receiving payment service provider, within five business days of receipt of the information requested from the transferring payment service provider, it fails to carry out the tasks in accordance with Article 21 of this Law in, and in accordance with the consumer's authorisation;

21) it fails to provide the consumer with access free of charge to all available information regarding existing standing orders and direct debits held with it by the consumer (Article 22 paragraph 1);

22) as the transferring payment service provider, it charges a fee to the consumer or the receiving payment service provider for the provision of information requested from the transferring payment service provider by the receiving payment service provider in accordance with Article 19 of this Law (Article 22 paragraph 2);

23) it charges the consumer fees contrary to Article 22 paragraph 4 of this Law;

24) it fails to refund to the consumer any material damage, including charges and interest, incurred by the consumer and resulting directly from the full or partial non-compliance of a payment service provider with its obligations referred to in Articles 19, 20 and 21 of this Law, without delay (Article 23 paragraph 1);

25) it fails to make available to a consumer the information about the switching service in accordance with Article 24 of this Law;

26) it fails to report to the Central Bank in accordance with the regulation referred to in Article 33 paragraph 1 of this Law (Article 33 paragraph 2).

A responsible person in the payment service provider – legal person shall also be fined between 500 euros and 2.000 euros for a misdemeanour referred to in paragraph 1 of this Article.

VIII. TRANSITIONAL AND FINAL PROVISIONS

Time-limit for adopting regulations

Article 43

Implementing regulations for this Law shall be adopted within nine months as of the date of entry into force of this Law.

Alignment of applicable framework contracts

Article 44

Payment service providers shall align the framework contracts concluded with consumers before the effective date of this Law with the provisions of this Law, at the latest within three months of the effective date of this Law.

Exceptionally, the payment service providers shall be deemed to have performed the alignment referred to in paragraph 1 of this Article, where within 30 days from the date of application of this Law, they have aligned their general operating conditions with this Law and made them available on their website and/or premises accessible to the consumer.

Start of application

Article 45

Provisions of Articles 35 to 40 of this Law shall apply as of Montenegro's accession to the European Union.

Cessation of effect of legal provisions of this Law

Article 46

Provisions of Articles 7, 8, 11, and 12 of this Law shall cease to have effect as of the date of Montenegro's accession to the European Union.

Entry into force

Article 47

This Law shall enter into force on the eighth day following that of its publication in the Official Gazette of Montenegro, and it shall apply after the expiry of one year following its entry into force.

Number: 09-1/21-3/4

EPA 277 XXVII

Podgorica, 29 December 2021

Parliament of Montenegro 27th sitting

President,

Aleksa Bečić, m.p.