

Pursuant to Article 44 paragraph 2 point 3 of the Central Bank of Montenegro Law (OGM 40/10, 46/10, 6/13, and 70/17), at its session held on 22 December 2017, the Council of the Central Bank of Montenegro adopted the following

**DECISION**  
**on the Chart of Accounts of the Central Bank of Montenegro**

**I. BASIC PROVISIONS**

**Article 1**

This decision regulates the chart of accounts of the Central Bank of Montenegro (hereinafter: the Chart of Accounts), as well as the content of account classes and groups in the Chart of Accounts.

**Article 2**

The Central Bank of Montenegro (hereinafter: the Central Bank) shall disclose its position and record all changes in assets, capital and liabilities, disclose income and expenses, and determine results of its operations in accordance with the contents of individual accounts in the Chart of Accounts, in line with the International Accounting Standards and the International Financial reporting Standards.

The Chart of Accounts is attached to this Decision and makes an integral part thereof.

**II. CONTENTS OF THE CLASSES AND GROUPS OF ACCOUNTS**

**Article 3**

CLASS 0 – Cash and cash equivalents shall include cash and all cash equivalents denominated in EUR and other currencies.

**Article 4**

Accounts of the Group 0100 – Cash, disclose banknotes and coins in the treasury of the Central Bank, banknotes and coins in the petty cash of the Central Bank and banknotes and coins on the way to/from the treasury of the Central Bank, in euros and other currencies.

The debit side of these accounts discloses cash received.

The credit side of these accounts discloses cash withdrawal or cash payment.

## **Article 5**

Accounts under the Group 0200 - Demand deposits, disclose the Central Bank funds with foreign central banks, international financial institutions, and credit institutions.

The debit side of these accounts discloses funds deposited or generated from inflows of funds.

The credit side of these accounts discloses withdrawals and other outflows of assets.

## **Article 6**

Accounts under the Group 0300 - Time deposits, disclose funds termed with foreign central banks, international financial institutions, and credit institutions.

The debit side of these accounts discloses time deposits.

The credit side of these accounts discloses cancellation of time deposits.

## **Article 7**

Accounts under the Group 0400 – Investments in securities, disclose investments in domestic and foreign securities measured at amortized cost (AC), held-for-trading securities measured at fair value through profit or loss, securities measured at fair value through profit or loss not held for trading, and securities measured at fair value through other comprehensive income (OCI).

The debit side of these accounts discloses purchases of securities.

The credit side of these accounts discloses disposal and sale of securities.

## **Article 8**

Accounts under the Group 0500 – Gold, includes gold held by the Central Bank or by a third party for the account of the Central Bank.

The debit side of these accounts discloses inflow of gold.

The credit side of these accounts discloses outflow of gold.

## **Article 9**

Accounts under the Group 0600 – Assets at the international financial institutions, include SDR and other assets held with the International Monetary Fund and other financial institutions, as well as accrued interest on SDR.

The debit side of these accounts discloses increase of assets with the international financial institutions.

The credit side of these accounts discloses decrease of assets with the international financial institutions.

#### **Article 10**

Accounts under the Group 0700 – Derivatives, disclose held-for-trading derivatives, hedging derivatives, and changes in the fair value of items being subject to hedging.

The debit side of these accounts discloses the positive difference between the contractual value of derivative assets and fair value of such assets as at the balance sheet date.

The credit side of these accounts discloses negative effect of determining new fair value of derivative assets.

#### **Article 11**

CLASS 1– Fixed and other assets, include loans, receivables from operating activities, receivables from employees, tangible and intangible property, supplies, other resources and other assets.

#### **Article 12**

Accounts under the Group 1100 – Loans, include extended loans.

The debit side of these accounts reflects extended loans.

The credit side of these accounts reflects the collection of extended loans.

#### **Article 13**

Accounts under the Group 1200 - Receivables from operating activities, include receivables from interest, compensations, leases, as well as prepayments to suppliers and other trade receivables.

The debit side of these accounts discloses calculated receivables.

The credit side of these accounts reflects collected receivables.

#### **Article 14**

Accounts under the Group 1300 - Receivables from employees, include receivables

from employees based on travel advances, housing loans, purchase of apartments, damages and other receivables from employees.

The debit side of these accounts discloses calculated receivables.

The credit side of these accounts reflects collected receivables.

### **Article 15**

Accounts under the Group 1400 - Tangible and intangible assets, disclose tangible assets: land, buildings, equipment, the library fund, and intangible assets, as well as investments in progress.

The debit side of these accounts discloses the prices of procurements of tangible and intangible assets.

The credit side of these accounts reflects the sale, disposal or write-off of tangible and intangible property.

This group of accounts includes individual accounts of depreciation of buildings, depreciation of equipment, and depreciation of intangible property.

The debit side of these accounts reflects changes or write-off due to the disposal of buildings and equipment or intangible property.

The credit side of these accounts reflects cumulative depreciation with adjustments to amortised cost.

### **Article 16**

Accounts under the Group 1500 - Inventory, include the stock of material, small inventory, car tires, and protection clothes and footwear in use, inventory in the cafeteria, precious metals, and numismatic inventory.

The debit side of these accounts discloses the procurement of all types of inventory.

The credit side of these accounts reflects the consumption of all types of inventory.

### **Article 17**

Accounts under the Group 1600 - Other resources, include other financial assets that the Central bank may classify as other financial assets measured at amortised cost, other held-for-trading financial assets at fair value through profit or loss, other financial assets at fair value through profit or loss not held for trading, and other financial assets measured at fair value through other comprehensive income (OCI).

The debit side of these accounts reflects placed assets.

The credit side of these accounts reflects collected amounts of previously placed assets.

### **Article 18**

Accounts under the Group 1900 - Other assets, include suspense account as well as accruals and prepayments.

The debit side of these accounts reflects increase in other assets.

The credit side of these accounts reflects decrease in other assets.

### **Article 19**

CLASS 2 – Financial liabilities, includes deposits by residents, deposits by non-residents, borrowings, liabilities for accrued interest and liabilities for securities.

### **Article 20**

Accounts under the Group 2100 - Deposits from residents, include deposits from banks, deposits from other financial institutions, deposits from the Ministry of Finance, as well as deposits from other residents.

The credit side of these accounts reflects deposited funds.

The debit side of these accounts reflects payment or maturity of these funds.

### **Article 21**

Accounts under the Group 2200 - Deposits by non-residents, include deposits from foreign central banks, deposits from international financial institutions, deposits from donor institutions, deposits from foreign banks, as well as deposits from other non-residents.

The credit side of these accounts reflects deposited funds.

The debit side of these accounts reflects payment or maturity of these funds.

### **Article 22**

Accounts under the Group 2300 – Loans payable, include liabilities based on loans received from residents and non-residents.

The credit side of these accounts reflects liabilities arising from loans received.

The credit side of these accounts reflects decrease of liabilities for loans.

### **Article 23**

Accounts under the Group 2400 - Liabilities for accrued interest, include liabilities based on interests to residents and based on interest to non-residents.

The credit side of these accounts reflects accrued interest.

The debit side of these accounts reflects paid interest.

#### **Article 24**

Accounts under the Group 2500 – Liabilities for securities, disclose liabilities for securities measured at amortised cost (AC), liabilities for held-for-trading securities measured at fair value through profit or loss, liabilities for securities not held for trading measured at fair value through profit or loss, and securities measured at fair value through other comprehensive income (OCI).

The credit side of these accounts reflects liabilities for issued securities.

The debit side of these accounts reflects their realisation - payment.

#### **Article 25**

Accounts under the Group 2600 – Other financial liabilities, disclose other financial liabilities for other financial assets measured at amortised cost, other held-for-trading financial assets at fair value through profit or loss, other financial assets at fair value through profit or loss not held for trading, and liabilities for derivatives.

The credit side of these accounts reflects other financial liabilities under paragraph 1 above.

The debit side of these accounts discloses their realized value.

#### **Article 26**

CLASS 3 - Other liabilities disclose fee payables, liabilities from operating activities, employee payables, liabilities to other natural persons and other liabilities, as well as accounts that record closing and opening of business books.

#### **Article 27**

Accounts under the Group 3100 - Fee payables disclose fee payables to residents and non-residents.

The credit side of these accounts reflects charged fees.

The debit side of these accounts discloses paid fees.

### **Article 28**

Accounts under the Group 3200 - Liabilities from operating activities disclose liabilities for prepayments received, contractual obligations, and other liabilities..

The credit side of these accounts reflects accrued liabilities.

The debit side of these accounts discloses paid liabilities.

### **Article 29**

Accounts under the Group 3300 - Liabilities to employees, disclose liabilities for gross earnings, employee benefits, as well as fringe benefits to be refunded.

The credit side of these accounts reflects accrued earnings and fringe benefits.

The debit side of these accounts discloses paid earnings and fringe benefits.

### **Article 30**

Accounts under the Group 3400 - Liabilities to other natural persons, disclose liabilities for service contracts, liabilities for royalties, liabilities for scholarships and loans to pupils and students, liabilities for remuneration to members of the Central Bank Council, liabilities for remuneration to the Banking Ombudsman, liabilities for remuneration to members of the Audit Committee, and liabilities for compensations to other natural persons.

The credit side of these accounts reflects accrued compensations.

The debit side of these accounts discloses paid compensations.

### **Article 31**

Accounts under the Group 3500 - Other liabilities, disclose interim liabilities, and accruals and prepayments.

The credit side of these accounts reflects increase in other liabilities.

The debit side of these accounts discloses decrease in other liabilities.

### **Article 32**

Accounts under the Group 3900 - Closing and opening of business books, disclose the closing and opening of business books.

The credit side of these accounts reflects active accounts carried forward.

The debit side of these accounts discloses passive accounts carried forward.

### **Article 33**

CLASS 4 - Capital and reserves include initial capital, reserves, net profit or loss, undistributed income, and loan loss provisions.

### **Article 34**

Accounts under the Group 4100 – Initial capital, disclose the initial capital of the Central Bank.

The credit side of these accounts reflects the initial capital and increase in the initial capital of the Central Bank.

### **Article 35**

Accounts under the Group 4200 – Reserves, disclose general reserves, special reserves, and revaluation reserves.

The credit side of these accounts reflects increase of reserves.

The debit side of these accounts discloses decrease of reserves.

### **Article 36**

Accounts under the Group 4300 – Net profit/loss shall disclose net profit or loss for the current year.

The credit side of these accounts records net profit.

The debit side of these accounts discloses net loss.

### **Article 37**

Accounts under the Group 4400 – Undistributed income, disclose net profit for distribution.

The credit side of these accounts reflects profit for distribution.

The debit side of these accounts discloses distributed profit.

### **Article 38**

Accounts under the Group 4500 – Loan loss provisions, disclose loan loss provisions arising from securities measured at amortised cost (AC), securities measured at fair value through other comprehensive income (OCI), and loan loss provisions for other financial assets.



The credit side of these accounts discloses financial assets under paragraph 1 above.

The debit side of these accounts discloses the reversal of the provisions for financial assets under paragraph 1 above.

#### **Article 39**

CLASS 5 - Financial income include interest income, gains from reversal of provisions, gains from the sale of financial assets, FX revaluation gains/losses, and other financial income.

#### **Article 40**

Accounts under the Group 5100 - Interest income disclose interest income from residents and interest income from non-residents.

The credit side of these accounts reflects the realised interest income.

#### **Article 41**

Accounts under the Group 5200 - Gains from reversal of provisions disclose gains based on reversal of provisions.

The credit side of these accounts reflects gains arising from the reversal of provisions.

#### **Article 42**

Accounts under the Group 5300 - Gains on disposal of financial assets disclose gains from the sale of other currencies, gains from the sale of gold, and gains from the reclassification of securities and derivatives.

The credit side of these accounts records gains based on the sale of other currencies, gold, securities, and derivatives referred to in paragraph 1 above.

#### **Article 43**

Accounts under the Group 5400 - FX revaluation gains shall disclose FX revaluation gains generated from exchange rate differences according to the current exchange rate of the Central Bank.

#### **Article 44**

Accounts under the Group 5500 – Other financial income disclose income arising from other financial income related to the execution of financial operations and investments in securities and derivatives.

The credit side of these accounts discloses income generated as referred to in paragraph 1 above.

#### **Article 45**

CLASS 6 - Operating income and other income include fee income, income from other fees, lease income, sales income, and other income.

#### **Article 46**

Accounts under the Group 6100 - Fee income shall disclose fees for national payment system transactions, fees for cash services, fees for enforced collection, fiscal agent fees, and fees for the supervision of banks and other entities subject to the Central Bank supervision, including issuing licences and granting approvals.

The credit side of these accounts discloses generated income from fees referred to in paragraph 1 above.

#### **Article 47**

Accounts under the Group 6200 - Specific fee income disclose fees for transfers through the accounts of the Central Bank held abroad, fees for conversion services, and fees for other services.

The credit side of these accounts reflects income from fees under paragraph 1 above.

#### **Article 48**

Accounts under the Group 6300 - Lease income disclose income based on lease of business premises and equipment.

The Credit side of these accounts reflects generated lease income.

#### **Article 49**

Accounts under the Group 6400 - Sale income shall disclose income from the sale of precious metals, income from the sale of blank bills of exchange, income from the sale of fixed assets and intangible investments, and other sale income.

The credit side of these accounts reflects income generated from the sale of items referred to in paragraph 1 above.

#### **Article 50**

Accounts under the Group 6500 - Other income disclose collected written-off

receivables, income from reduction of liabilities, subsequently recognised prior year income, and other income.

The credit side of these accounts reflects income generated as referred to under paragraph 1 above.

#### **Article 51**

CLASS 7 - Financial expenses, discloses interest expenses, losses on disposal and impairment of financial assets, FX revaluation losses, and expenses based on the last-resort lending to banks, and other financial expenses.

#### **Article 52**

Accounts under the Group 7100 - Interest expenses, disclose interest expenses to residents and interest expenses to non-residents.

The debit side of these accounts reflects interest paid as referred to under paragraph 1 above.

#### **Article 53**

Accounts under the Group 7200 - Losses on disposal and impairment of financial assets disclose losses from FX dealings, losses from the sale of gold, and losses from the sale and reclassification of securities and derivatives, and impairment losses.

The debit side of these accounts reflects realised losses on disposal as referred to under paragraph 1 above.

#### **Article 54**

Accounts under the Group 7300 - FX revaluation losses disclose FX revaluation losses arising from changes in the exchange rate according to the current exchange rate of the Central Bank.

#### **Article 55**

Accounts under the Group 7400 – Expenses for liquidity loans to banks, disclose expenses based on extended loans to banks for their liquidity needs.

The debit side of these accounts reflects paid expenses referred to under paragraph 1 above.

#### **Article 56**

Accounts under the Group 7500 – Other financial expenses disclose expenses arising from the payment of negative interest rate on placements in deposits and securities, and other financial expenses related to the execution of financial operations and investments in securities and derivatives.

The debit side of these accounts records expenses paid on the basis referred to in paragraph 1 above.

#### **Article 57**

CLASS 8 - Operating expenses, discloses fee expenses, employee expenses, administrative expenses, business operating expenses, and other operating expenses.

#### **Article 58**

Accounts under the Group 8100 - Fee expenses disclose fee expenses.

The debit side of these accounts reflects paid fees.

#### **Article 59**

Accounts under the Group 8200 - Employee expenses, disclose gross earnings, other earnings, compensations for increased employee expenses, and other employee expenses.

The debit side of these accounts records paid expenses referred to under paragraph 1 above.

#### **Article 60**

Accounts under the Group 8300 - Administrative expenses, disclose expenses for office supplies, cost of energy, utilities, intangible services, and compensations to other natural persons.

The debit side of these accounts discloses administration expenses referred to under paragraph 1 above.

#### **Article 61**

Accounts under the Group 8400 - Business operating expenses, disclose the expenses of fixed assets and equipment, literature expenses, cost of telecommunication services, taxes, fees and other levies, expenses of compensations based on contracts on business cooperation, and depreciation expenses.

The debit side of these accounts records business operating expenses referred to under paragraph 1 above.

#### **Article 62**

Accounts under the Group 8500 - Other operating expenses, disclose expenses for humanitarian activities of the Central Bank, cost of representation, conferences and seminars organised by the Central Bank, provisioning expenses, and subsequently identified expenses.

The debit side of these accounts reflects other business operating expenses referred to under paragraph 1 above.

#### **Article 63**

CLASS 9 - Off-balance sheet records discloses written-off receivables, vault hoards, jubilee coins, extended advances and loans, reserve, securities, and taken security.

### **III. RECORDING OF BALANCES AND CHANGES**

#### **Article 64**

The balances and changes in assets, capital and liabilities, income and expenses, and the identifying of business result shall be recorded in the main (four-digit) accounts in the Chart of Accounts.

The Director of the Directorate of Finance, Accounting and Controlling shall break down the prescribed groups of accounts into subledger accounts, as necessary.

### **IV. ZAVRŠNE ODREDBE**

#### **Article 65**

Decision on the Chart of Accounts of the Central Bank of Montenegro (OGM 29/11 and 66/15) shall be repealed with effect from the date of entry into force of this decision.

#### **Article 66**

This decision shall enter into force on the eighth day following that of its publication in the Official Gazette of Montenegro and it shall apply as of 1 January 2018.

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

Decision no. 0101-10608-2/2017  
Podgorica, 22 December 2017

**CHAIRMAN  
GOVERNOR,**

**Radoje Žugić, m.p.**