

Pursuant to Article 44 paragraph 2 point 3 of the Central Bank of Montenegro Law (OGM 40/10, 46/10, 06/13) and Article 77 paragraphs 7 and 8 of the Payment System Law (OGM 62/13), the Central Bank of Montenegro Council, at its meeting held on 10 November 2014, passed the following

DECISION
on detailed conditions for providing activities of the payment service agent

Article 1

This decision regulates more detailed conditions for providing activities of the payment service agents and necessary documents for the registration of agents in the payment service providers' registers.

Article 2

Agents of the payment service providers shall be registered in corresponding payment service providers' registers, as follows:

- 1) Agent of a bank and other credit institution having its head office in Montenegro is entered in the register of banks and other credit institutions;
- 2) Agent of the payment institution having its head office in Montenegro is entered in the payment institutions register;
- 3) Agent of the electronic money institution having its head office in Montenegro is entered in the register of the electronic money institutions;
- 4) Agent of the credit institution branch from the third country having its head office in Montenegro is entered in the register of banks and other credit institutions;
- 5) Agent of the Central Bank of Montenegro (hereinafter: the Central Bank), and/or agent of the State of Montenegro and local self-government unit when not acting as authorities is entered in the special register maintained by the Central Bank.

Article 3

Agent's operations may be provided only by a legal person or an entrepreneur who has signed with the payment service provider a contract on entrustment of payment services provision and who shall be entered as an agent in the corresponding register, pursuant to the provisions herein.

In case the agent is another payment service provider, such payment service provider may not execute payment transactions executed as the agent through the RTGS system.

Article 4

Payment service provider and the agent shall sign the agreement on entrustment of payment services provision, which regulates:

- 1) Type of payment services provided by the agent for the payment service provider;
- 2) Manner of providing these services;
- 3) Rights, obligations and responsibilities of the payment service provider and the agent;
- 4) Life of the contract, and
- 5) Other rights and obligations of the counterparties.

Article 5

Payment service provider who intends to provide payment services through an agent shall submit to the Central Bank a request for registration of the agent in the corresponding register.

In addition to the request referred to in paragraph 1 above, payment service provider shall submit to the Central Bank the following:

- 1) Data on: name of the legal person or entrepreneur, head office or address of the legal person or entrepreneur; activity – business of a legal person or entrepreneur; identification number of the legal person or identification number and uniform identification number of the entrepreneur;
- 2) Decision on registration – registration in the Central Register of Companies (CRPS) of the legal person or entrepreneur;
- 3) Contract on entrustment of the provision of payment services made pursuant to Article 4 herein;
- 4) Evidence that the legal person or entrepreneur have a corresponding technical and technological infrastructure for providing safe and efficient payment services;
- 5) Statement that the legal person or entrepreneur have professional staff capable of providing entrusted payment services;
- 6) Description of internal controls mechanisms pursuant to the law which governs the prevention of money laundering and terrorist financing;
- 7) Data on persons who are board of directors members (if a board of directors exists) and Chief Executive Officer of the legal person, or data on the entrepreneur, with the evidences that:
 - these persons have not been convicted of an offense that makes them unfit for exercising the functions,

- these persons have not been in management positions in the company at a time when bankruptcy proceedings were initiated in the company,
- an investigation or criminal proceedings for criminal offenses prosecuted ex officio is not initiated against these persons.

The Central Bank may take all necessary actions including the provision of additional documents and information, to verify the accuracy of submitted information and data.

Article 6

When it determines that the requirements are met, the Central Bank shall adopt a decision on entering the agent in the appropriate register.

The Central Bank shall adopt a decision on denial of the entering the agent in the appropriate register, if it finds that the documentation referred to in Article 5, paragraph 2 herein contains incomplete or incorrect information or data.

Article 7

Payment service provider shall, without any delay, notify the Central Bank of any changes referred to in Article 5 paragraph 2 herein.

If the Central Bank, during the examination of the payment service provider determines that a payment service provider, due to failures in the agent's activities, does not act in accordance with the provisions of the law governing payment system, it shall order the payment service provider to terminate the contract by which the agent has been entrusted to carry out the activities of providing payment services.

Article 8

The Central Bank shall adopt the decision on removal of the agent from the register:

- 1) Upon the request of payment service provider, in the event of termination of the contract with the agent;
- 2) If it determines that the agent does not meet the requirements, or
- 3) If it determines that the appropriate entry in the register has been made on the basis of incorrect information or documentation.

Article 9

Banks, which provide payment services through the agent on the day of the beginning of the implementation of this decision, shall enter that agent in the banks' register, pursuant to this decision, no later than 90 days following that of the beginning of the implementation of this decision.

If the agent is not entered in the register of banks within the period referred to in paragraph 1 above, the bank shall not continue to provide payment services through this agent.

Article 10

Decision on the conditions and manner of executing certain activities involved in the transfer execution by the agent (OGM 24/09) shall be repealed with effect from the date of entry into force of this decision.

Article 11

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 from 9 January 2015.

THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO

Decision number: 0101-4014/63-5
Podgorica, 10 November 2014

**CHAIRMAN
GOVERNOR,**

Milojica Dakić, m.p.