

Pursuant to Article 44 paragraph 2 point 3 of the Central Bank of Montenegro Law (OGM 40/10, 46/10, 06/13) and Article 79 paragraph 8, Article 118 paragraph 2 and Article 123 paragraphs 1 and 5 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 protection of payment service users' funds and funds received in
exchange for issued electronic money**

Article 1

This decision regulates the characteristics of liquid and low-risk assets in which the payment institutions and institutions for the electronic money may invest funds received from payment service users and funds received in exchange for issued electronic money, for the purpose of protecting these assets.

Article 2

Some expressions used in this decision shall have the following meaning:

- 1) "credit institution" is a bank or other company which activity is accepting deposits or other recoverable funds from the public and granting loans for its own account;
- 2) "debt financial instruments" are securities issued in series, which give the right to a holder for payment of the respective amount, with or without the interest, as well as other rights pursuant to regulations and decision on issuing.

Article 3

Liquid and low-risk assets, within the meaning of Article 1 herein, shall be debt financial instruments issued or secured by one of the following entities:

- 1) Government or national central bank of the EU member state;
- 2) European Union and European Central Bank;
- 3) International organizations, as follows:
 - International Monetary Fund,
 - Bank for International Settlements;
- 4) Multilateral development banks as follows:
 - International Bank for Reconstruction and Development,
 - International Financial Corporation,
 - European Bank for Reconstruction and Development,
 - European Investment Bank,
 - European Investment Fund,

- Council of Europe Development Bank;
- 5) Governments or central banks of the non-EU member states, multilateral development banks which are not comprised in the point 5 above, credit institutions and companies with the credit rating assigned by a recognised external institution classified under credit quality step 1, 2 or 3, laid down pursuant to the decision of the Central Bank of Montenegro regulating banks' capital adequacy.

Article 4

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: 0101-4014/63-7
Podgorica, 10 November 2014

**CHAIRMAN
G O V E R N O R,**

Milojica Dakić, m.p.