

Pursuant to Article 44 paragraph (2) item 3) of the Central Bank of Montenegro Law (OGM 40/10, 06/13, 70/17) and Article 115 paragraph (5) of the Law on Resolution of Credit Institutions (OGM 72/19), the Council of the Central Bank of Montenegro, at its meeting held on 1 December 2020, passed the following

DECISION
ON MINIMUM LIST OF SERVICES, FACILITIES OR EQUIPMENT NECESSARY FOR
ENABLING A RECIPIENT UNDERTAKING TO OPERATE A BUSINESS
TRANSFERRED TO IT FROM A CREDIT INSTITUTION UNDER RESOLUTION

Subject matter

Article 1

This Decision shall prescribe the minimum list of services, facilities or equipment necessary for enabling a recipient undertaking to efficiently operate businesses that were transferred to it through the application of sale of business tool or the asset separation tool in the resolution proceedings of a credit institution.

Minimum list

Article 2

(1) When identifying services, facilities or equipment, the use of which should be enabled to the recipient undertaking in accordance with Article 1 of this Decision, the Central Bank of Montenegro (hereinafter: the Central Bank) shall assess whether the services, facilities or equipment are necessary for the recipient undertaking to maintain the essential internal infrastructure for the continued operation of the transferred business, assets and liabilities, in particular of critical functions.

(2) In the assessment referred to in paragraph (1) of this Article, the Central Bank shall take into account the resolution objectives and an appropriate time frame for the provision of services, facilities or equipment.

(3) When assessing whether the credit institution under resolution or any of its group members should be required to provide services, facilities or equipment, the Central Bank should consider in particular the following:

- 1) human resources support:
 - staff administration, including relevant contracts and remuneration;
 - internal communication;
- 2) information technology:
 - information technology and communication hardware;
 - data storage and processing;

- other information technology infrastructure, workstations, telecommunications, servers, data centres and related services;
 - administration of software licenses and application software;
 - access to external service providers, in particular data and infrastructure providers;
 - application maintenance, including software application maintenance and related data flows;
 - report generation, internal information flows and data bases;
 - user support;
 - emergency and disaster recovery;
- 3) transaction processing, including legal transactional issues, in particular anti-money laundering;
- 4) real estate and facility provision or management and associated services:
- provision of office premises and auxiliary facilities;
 - internal facilities management;
 - security and control of access to facilities;
 - real estate portfolio management;
- 5) legal services and compliance functions:
- corporate legal support;
 - business and transactional legal services;
 - compliance support;
- 6) services related to assets and liabilities management:
- coordination, administration and management of these activities;
 - coordination, administration and management of entity refinancing, including collateral management;
 - reporting function, in particular with respect to regulatory liquidity ratios;
 - coordination, administration and management of medium and long-term funding programs, and refinancing of group entities;
 - coordination, administration and management of refinancing, in particular short-term issues;
- 7) trading and asset management:
- operations (trade capture, design, realisation, and servicing of trading products, etc.);
 - confirmation, settlement, payment;
 - position and counterparty management, and reporting on data and relationships;
 - position management (risk and reconciliation);
- 8) risk management and valuation:
- centralised or business line or risk type-related risk management;
 - risk report generation;
- 9) accounting:
- statutory and regulatory reporting;
 - valuation of items, in particular of market positions;
 - management reporting;
 - cash handling.

(4) The Central Bank shall ensure that the provision of services, in particular the services referred to in paragraph (3) items 6), 7), and 8) of this Article, does not imply the taking of financial risks which might constitute financial support.

Entry into force

Article 3

This Decision shall enter into force on the eight day following that of its publication in the Official Gazette of Montenegro, and it shall apply from the date of application of the Law on Resolution of Credit Institutions (OGM 72/19).

THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO

Decision number: 0101-7151-4/2020
Podgorica, 1 December 2020

**CHAIRMAN
GOVERNOR,**
Radoje Žugić, m.p.