

Pursuant to Article 44 paragraph (2) item 3) of the Central Bank of Montenegro Law (OGM 40/10, 46/10, 06/13, 70/17) and in conjunction with Article 16 paragraph (1) and Article 31 of the Law on International Restrictive Measures (OGM 56/18, 72/19), the Council of the Central Bank of Montenegro, at its meeting held on 17 May 2022, passed the following

GUIDELINES
on implementation of international restrictive measures by
credit and financial institutions and supervision of
the implementation of these measures

1. Basic provisions

These Guidelines determine the conduct of credit and financial institutions during the implementation of international restrictive measures introduced in accordance with the Law on International Restrictive Measures (OGM 56/18, 72/19) and the manner of performing supervision of the implementation of those measures.

Financial institutions, within the meaning of these Guidelines, mean legal persons that provide financial services and to which the Central Bank of Montenegro has issued a licence or an authorisation for the provision of financial services.

2. Credit and financial institutions' procedure when implementing restrictive measures

Credit and financial institutions shall implement restrictive measures in accordance with their internal acts on the implementation of restrictive measures, which define as a minimum the following:

- a) persons in charge of monitoring the Government's decisions on the introduction or revocation of restrictive measures and monitoring the decisions of the state administration authority responsible for internal affairs which specifies or suspends the implementation of restrictive measures for designated persons from the national list;
- b) obligations of the person in charge of monitoring the implementation of restrictive measures, which include the procedure for initiating the mechanism i.e. the process for the implementation of restrictive measures;
- c) a detailed description of the mechanism i.e. the process for the implementation of restrictive measures, including appropriate information and technical support for ensuring the implementation of these measures;
- d) the manner of submitting the report on the implementation of restrictive measures to the Ministry of Foreign Affairs or another body set out in the decision of the Government of Montenegro on the introduction of restrictive measures.

When implementing restrictive measures of restricting the disposal and acquisition of funds and/or other assets (freezing) of a natural or legal person against whom the restrictive measures have been imposed, a credit institution and financial institution shall undertake the following activities, in particular:

- a) check the identification data of all clients or users of services (by searching the data bases) and compare them with the identification data of persons against whom the restrictive measures have been imposed;
- b) in the event of a positive match between the identification data of the client or the user of services and the data of the persons against whom the restrictive measures have been imposed, the credit institution and financial institution shall, without undue delay, restrict the disposal i.e. "freeze" the funds and/or assets of the person against whom the restrictive measures have been imposed and shall not make them available to that person;
- c) ensure the implementation of the imposed restrictive measures through appropriate informational and technical support.

3. Supervision

The Central Bank of Montenegro shall supervise the implementation of these Guidelines in accordance with the law - by carrying out on-site or off-site examination of credit and financial institutions and by imposing supervisory measures against credit and financial institutions where it determines irregularities in the implementation of restrictive measures.

4. Cessation

On the day these Guidelines enter into force, the Guidelines on implementation of international restrictive measures by banks and financial institutions and supervision of the implementation of these measures shall cease to be valid (Decision number 0101-9793-2/2017 as of 30 November 2017).

5. Entry into force

These Guidelines shall enter into force on the eighth day following that of their publication on the website of the Central Bank of Montenegro.

COUNCIL OF THE CENTRAL BANK OF MONTENEGRO

CHAIRMAN

Decision number 0101-3804-4/2022

GOVERNOR,

Podgorica, 17 May 2022

Radoje Žugić, m.p.