

DECISION
on Bank Reserve Requirement to be Held with the Central Bank of
Montenegro
(OGM 88/17 of 26 December 2017, 43/20 of 13 May 2020)

Article 1

This Decision prescribes the obligation of banks to calculate, allocate and maintain their reserve requirements with the Central Bank of Montenegro (hereinafter: the Central Bank), the reserve requirement base, the reserve requirement rate, the method and deadlines for the calculation, allocation and maintenance of bank reserve requirements, and the conditions for the use of bank reserve requirements.

Article 2

Certain terms and definitions used in this Decision shall have the following meanings:

- “the base” is an average daily balance of demand and time deposits over the calculation period;
- “calculation period” is a one-week period, from Monday until the first following Monday, in which a bank shall calculate the base;
- “the maintenance period” is a one-week period, from Wednesday until the first following Wednesday, over which a bank shall maintain the prescribed reserve requirement;
- “working days” shall mean all weekdays, except Saturdays, Sundays and all other non-working days in accordance with the law;

Article 3

Banks shall calculate, allocate and maintain their reserve requirement with the Central Bank in the amount, manner and within the deadlines prescribed hereunder.

Article 4

Banks shall ensure daily updating of records on demand and time deposits.

Article 5

Banks shall calculate the reserve requirement by applying the rate of:

- 5.5% - on a part of the base comprised of demand deposits and deposits with contractual maturity up to one year, or up to 365 days;
- 4.5% - on a part of the base comprised of deposits with contractual maturity over one year, or over 365 days.

Deposits with contractual maturity referred to in paragraph 1 indent 2 of this Article that have the deposit cancellation clause in the period shorter than one year, or within the deadline shorter than 365 days, shall be subject to the rate specified in paragraph 1 indent 1 of this Article.

Article 6

The reserve requirement shall be calculated by applying the rates referred to in Article 5 paragraph 1 of this Decision on the relevant part of the base.

The banks shall calculate its reserve requirement in accordance with paragraph 1 of this Article two days before the expiration of the maintenance period.

Article 7

Banks shall deposit the calculated reserve requirements to the reserve requirement account in the country and/or to the Central Bank accounts abroad, and they may not allocate or deposit reserve requirement in any other form.

The reserve requirement shall be deposited in euros.

Reserve requirement funds allocated to the Central Bank's accounts abroad may not be transferred to other accounts abroad, but exclusively to the bank's transaction account in the RTGS system.

Article 8

The allocation of reserve requirement shall be made on Wednesdays, and if Wednesday is a non-working day in accordance with the law, the allocation shall be made on the following working day.

Article 9

During the maintenance period, the banks shall, at the end of the working day, have the reserve requirement balance in the amount calculated in accordance with Article 6 paragraph 1 of this Decision.

Article 10

Banks may use up to 50% of their reserve requirement deposits to maintain their daily liquidity.

The banks shall not be charged any fee for the use of their reserve requirement referred to in paragraph 1 of this Article if returned the same day.

Article 11

The Central Bank shall pay monthly remuneration to banks on 50% of their reserve requirements funds in accordance with Article 7 paragraph 1 of this Decision that is to be calculated at the EONIA rate minus 10 basis points on annual basis until the eighth calendar day in the current month for the previous month, provided that this rate may not fall below zero.

Article 12

If the Central Bank determines that a bank has acted contrary to the provisions of this Decision, the bank shall not have the right to apply the reserve requirement rate referred to in Article 5 paragraph 1 indent 2 of this Decision for the period of six months following the identified breach date.

The Central Bank shall impose measures against the bank for which it has been determined that violated provisions of this decision pursuant to the law governing establishment and operations of the banks.

Article 13

If the Central Bank determines that a bank has miscalculated and/or misallocated or failed to allocate the reserve requirement within the deadline referred to in Article 8 of this Decision, the bank shall pay monthly fee for the lacking amount of the reserve requirement, at the rate specified in a separate Central Bank regulation.

In case the bank fails to meet the prescribed level of used reserve requirement on the same day in line with Article 10 paragraph 1 of this Decision, the bank shall pay monthly fee at the rate referred to in paragraph 1 of this Article.

Article 14

The fees referred to in Articles 11 and 13 of this Decision shall be calculated by multiplying the established amount of reserve requirement by the established rate and number of days, and dividing the obtained result by 360.

The Central Bank shall inform the banks on the calculation of fees referred to in Articles 11 and 13 of this Decision in writing.

Article 15

The banks shall, no later than one day prior to the day of depositing reserve requirement, submit to the Central Bank the following:

- reserve requirement reports using the reporting forms ObR, ObR-p, ObR-d1 and ObR-d2 which are enclosed in Annex 2 of this Decision and make an integral part of this Decision;

- a written request for depositing to and/or withdrawing reserve requirement funds from the Central Bank's account abroad.

If a bank plans to withdraw reserve requirement funds from the Central Bank's account abroad in the amount exceeding 500,000 euros, it shall provide the Central Bank with a written notice thereof no later than three business days prior to the withdrawal date.

Article 16

Banks shall submit reports pursuant to this Decision as of 20 February 2018.

Article 17

The Decision on Bank Reserve Requirement to be Held with the Central Bank of Montenegro (OGM 73/15, 33/16,15/17) shall cease to have effect as from the date this Decision enters into force.

Article 18

This Decision shall enter into force on the eighth day following that of its publication in the "Official Gazette of Montenegro".

COUNCIL OF THE CENTRAL BANK OF MONTENEGRO

NOTE:

The unofficially consolidated version of the Decision amending the Decision on Bank Reserve Requirement to be Held with the Central Bank of Montenegro (OGM 43/20), which are worded as follows:

"Article 2

Form ObR attached in Annex 1 to the Decision on Bank Reserve Requirement to be Held with the Central Bank of Montenegro (OGM 88/17) shall be replaced by a new Form, which is attached to this Decision and makes an integral part thereof.

Article 3

Banks shall start reporting in line with this Decision as of 19 May 2020.

Article 4

This Decision shall enter into force in the day following the day of its publication in the Official Gazette of Montenegro".

 (Name and Head Office)

CALCULATION OF RESERVE REQUIREMENTS OF BANKS HELD WITH THE CENTRAL BANK OF MONTENEGRO
for the period from to

In EUR

No.	POSITION	DEMAND DEPOSITS	TIME DEPOSITS UP TO ONE YEAR OR UP TO 365 DAYS	TIME DEPOSITS OVER ONE YEAR OR OVER 365 DAYS WITH A DEPOSIT CANCELLATION CLAUSE IN THE PERIOD SHORTER THAN ONE YEAR OR 365 DAYS	TIME DEPOSITS OVER ONE YEAR OR OVER 365 DAYS	TOTAL (3+4+5+6)
1	2	3	4	5	6	7
1	BASE - average daily balance of deposits in calculation period					
2	Reserve requirement rate	5,50%	5,50%	5,50%	4,50%	
3	Calculated amount of reserve requirement for maintenance period from to					
4	in the account of reserve requirement in the country			X		
5	in the accounts of the Central Bank abroad			X		
6	Reserve requirements in the previous maintenance period			X		
7	in the account of reserve requirement in the country			X		
8	in the accounts of the Central Bank abroad			X		
9	Difference (allocation/withdrawal) (3-6)			X		
10	in the account of reserve requirement in the country (4 -7)			X		
11	in the accounts of the Central Bank abroad (5-8)			X		

 (Place and date)

 (Seal and signature of the authorised person)

(Bank Name and Head Office)

ObR-p

REPORT ON RESERVE REQUIREMENT TO BE HELD WITH THE CENTRAL BANK OF MONTENEGRO

for the maintenance period from _____ to _____

(EUR)

Maintenance period	Calculated reserve requirement			Allocated reserve requirement			Difference between calculated and allocated reserve requirement		Use of reserve requirement	
	in the account of reserve requirement in the country	in the accounts of the Central Bank abroad	total (1+2)	in the account of reserve requirement in the country	in the accounts of the Central Bank abroad	total (4+5)	less allocated (6-3)	more allocated (6-3)	meets the prescribed level of the reserve requirement at the end of the same day	does not meet the prescribed level of the reserve requirement at the end of the same day
							7	8		
Date	1	2	3	4	5	6	7	8	9	10

(Place and date)

(Seal and signature of the authorised person)

REPORT ON AVERAGE AMOUNT OF DEMAND DEPOSITS

(in 000 EUR)

Accounts Comprising the Base for the Calculation of Reserve Requirement					Average Daily Amount of Demand Deposits (from ____ to ____)
1					2
2	3	0	1	Companies engaged in financial lease operations, residents – non-interest bearing	
2	3	0	2	Companies engaged in financial lease operations, residents – interest bearing	
2	3	0	3	Companies engaged in brokerage activities at capital market, residents – non-interest bearing	
2	3	0	4	Companies engaged in brokerage activities at capital market, residents - interest bearing	
2	3	0	5	State banks, residents – non-interest bearing	
2	3	0	6	State owned resident banks - Interest bearing	
2	3	0	7	Private banks, residents – non-interest bearing	
2	3	0	8	Private banks, residents – interest bearing	
2	3	0	9	Banks, non-residents – non-interest bearing	
2	3	1	0	Banks, non-residents – interest bearing	
2	3	1	1	Other state depository institutions, residents – non-interest bearing	
2	3	1	2	Other state depository institutions, residents – interest bearing	
2	3	1	3	Other private depository institutions, residents – non-interest bearing	
2	3	1	4	Other private depository institutions, residents – interest bearing	
2	3	1	5	Other depository institutions/other financial institutions/companies engaged in financial activities, non-residents – non-interest bearing	
2	3	1	6	Other depository institutions/other financial institutions/companies engaged in financial activities, non-residents – interest bearing	
2	3	1	7	Others – non-interest bearing	

2	3	1	8	Others – interest bearing	
2	3	2	1	State companies, residents - non-interest bearing	
2	3	2	2	State companies, residents - interest bearing	
2	3	2	3	Public services of local self-government units – non-interest bearing	
2	3	2	4	Public services of local self-government units – interest bearing	
2	3	2	5	Private companies, residents - non-interest bearing	
2	3	2	6	Private companies, residents - interest bearing	
2	3	2	7	Entrepreneurs - non-interest bearing	
2	3	2	8	Entrepreneurs - interest bearing	
2	3	2	9	Companies, non-residents - non-interest bearing	
2	3	3	0	Companies, non-residents - interest bearing	
2	3	3	1	Natural persons, residents – non-interest bearing	
2	3	3	2	Natural persons, residents –interest bearing	
2	3	3	3	Natural persons, non-residents – non-interest bearing	
2	3	3	4	Natural persons, non-residents –interest bearing	
2	3	3	5	Companies, for payment and coverage under letters of credit	
2	3	3	6	Companies, for payment and coverage under guarantees	
2	3	3	9	Non-government and other non-profit organizations, residents – non-interest bearing	
2	3	4	0	Non-government and other non-profit organizations, residents – interest bearing	
2	3	4	1	Non-government and other non-profit organizations, non-residents – non-interest bearing	
2	3	4	2	Non-government and other non-profit organizations, non-residents – interest bearing	
2	3	4	3	Other - non-interest bearing	
2	3	4	4	Other - interest bearing	
2	3	4	5	Government of Montenegro - non-interest bearing	
2	3	4	6	Government of Montenegro - interest bearing	
2	3	4	7	Local self-government units - non-interest bearing	
2	3	4	8	Local self-government units - interest bearing	
2	3	4	9	Other Budget of Montenegro beneficiaries- non-interest bearing	
2	3	5	0	Other Budget of Montenegro beneficiaries- interest bearing	
2	3	5	1	Others - non- interest bearing	
2	3	5	2	Others - interest bearing	

2	3	5	3	Regulatory agencies, residents – non-interest bearing	
2	3	5	4	Regulatory agencies, residents –interest bearing	
2	3	5	5	Regulatory agencies, non-residents – non-interest bearing	
2	3	5	6	Regulatory agencies, non-residents – interest bearing	
2	3	6	1	Investment and Development Fund of Montenegro – non-interest bearing	
2	3	6	2	Investment and Development Fund of Montenegro – interest bearing	
2	3	6	3	Employment Agency of Montenegro - non-interest bearing	
2	3	6	4	Employment Agency of Montenegro - interest bearing	
2	3	6	5	Health Insurance Fund - non-interest bearing	
2	3	6	6	Health Insurance Fund - interest bearing	
2	3	6	7	Pension and Disability Insurance Fund - non-interest bearing	
2	3	6	8	Pension and Disability Insurance Fund - interest bearing	
2	3	6	9	Voluntary pension funds, residents - non-interest bearing	
2	3	7	0	Voluntary pension funds, residents - interest bearing	
2	3	7	1	Funds, non-residents - non-interest bearing	
2	3	7	2	Funds, non-residents - interest bearing	
2	3	7	3	Investment Funds, residents - non-interest bearing	
2	3	7	4	Investment Funds, residents - interest bearing	
2	3	7	5	Others, residents - non-interest bearing	
2	3	7	6	Others, residents - interest bearing	
2	3	7	7	Voluntary pension funds, non-residents - non-interest bearing	
2	3	7	8	Voluntary pension funds, non-residents - interest bearing	
2	3	8	1	Private insurance/reinsurance companies, residents – non-interest bearing	
2	3	8	2	Private insurance/reinsurance companies, residents –interest bearing	
2	3	8	3	State insurance/reinsurance companies, residents – non-interest bearing	
2	3	8	4	State insurance/reinsurance companies, residents –interest bearing	
2	3	8	5	Insurance/reinsurance companies, non-residents – non-interest bearing	
2	3	8	6	Insurance/reinsurance companies, non-residents –interest bearing	
2	5	8	7	Factoring companies, non-residents - non-interest bearing	
2	5	8	8	Factoring companies, non-residents - interest bearing	
2	5	8	9	Factoring companies, residents - non-interest bearing	
2	5	9	0	Factoring companies, residents - interest bearing	
2	5	9	1	Microcredit financial institutions, residents - non-interest bearing	

2	5	9	2	Microcredit financial institutions, residents - interest bearing	
2	5	9	3	Microcredit financial institutions, non-residents - non-interest bearing	
2	5	9	4	Microcredit financial institutions, non-residents - interest bearing	
2	5	9	5	Auxiliary financial institutions, residents - non-interest bearing	
2	5	9	6	Auxiliary financial institutions, residents - non-interest bearing	
2	5	9	7	Auxiliary financial institutions, non-residents - non-interest bearing	
2	5	9	8	Auxiliary financial institutions, non-residents - interest bearing	
TOTAL:					

(Seal and signature of the authorised person)

(Bank Name and Head Office)

ObR-d2

REPORT ON AVERAGE AMOUNT OF TIME DEPOSITS

(000 EUR)

Accounts Included in Calculation of Reserve Requirement					Average Daily Amount of Time Deposits with Maturity up to 1 Year, i.e. up to 365 Days (from ____ to ____)	Average Daily Amount of Time Deposits with Maturity over 1 Year, i.e. over 365 Days, with the Deposit Cancellation Clause in the Period Shorter than 1 Year, i.e. Shorter than 365 Days (from ____ to ____)	Average Daily Amount of Time Deposits with Maturity over 1 Year, i.e. over 365 Days (from ____ to ____)	TOTAL (2 + 3 + 4)
1					2	3	4	5
2	5	0	1	Companies engaged in financial lease operations, residents – non-interest				

				bearing				
2	5	0	2	Companies engaged in financial lease operations, residents – interest bearing				
2	5	0	3	Companies engaged in brokerage activities at capital market, residents - non-interest bearing CR				
2	5	0	4	Companies engaged in brokerage activities at capital market, residents - interest bearing				
2	5	0	5	State banks, residents – non-interest bearing				
2	5	0	6	State banks, residents – interest bearing				
2	5	0	7	Private banks, residents – non-interest bearing				
2	5	0	8	Private banks, residents – interest bearing				
2	5	0	9	Banks, non-residents – non-interest bearing				
2	5	1	0	Banks, non-residents – interest bearing				
2	5	1	1	Other state depository institutions, residents – non-interest bearing				
2	5	1	2	Other state depository institutions, residents – interest bearing				
2	5	1	3	Other private depository institutions, residents – non-interest bearing				
2	5	1	4	Other private depository institutions, residents – interest bearing				
2	5	1	5	Other depository institutions/other financial institutions/companies engaged in financial activity, non-residents – non-interest bearing				
2	5	1	6	Other depository institutions/other financial institutions/companies engaged in financial activity, non-residents – interest bearing				

2	5	1	7	Others – non-interest bearing				
2	5	1	8	Others – interest bearing				
2	5	2	1	State companies, residents - non-interest bearing				
2	5	2	2	State companies, residents - interest bearing				
2	5	2	3	Public services of local self-government units – non-interest bearing				
2	5	2	4	Public services of local self-government units – interest bearing				
2	5	2	5	Private companies, residents - non-interest bearing				
2	5	2	6	Private companies, residents - interest bearing				
2	5	2	7	Entrepreneurs - non-interest bearing				
2	5	2	8	Entrepreneurs - interest bearing				
2	5	2	9	Companies, non-residents - non-interest bearing				
2	5	3	0	Companies, non-residents - interest bearing				
2	5	3	1	Natural persons, residents – non-interest bearing				
2	5	3	2	Natural persons, residents –interest bearing				
2	5	3	3	Natural persons, non-residents – non-interest bearing				
2	5	3	4	Natural persons, non-residents –interest bearing				
2	5	3	9	Non-government and other non-profit organizations, residents – non-interest bearing				
2	5	4	0	Non-government and other non-profit organizations, residents – interest bearing				
2	5	4	1	Non-government and other non-profit organizations, non-residents – non-				

				interest bearing				
2	5	4	2	Non-government and other non-profit organizations, non-residents – interest bearing				
2	5	4	3	Other - non-interest bearing				
2	5	4	4	Other - interest bearing				
2	5	4	5	Government of Montenegro - non-interest bearing				
2	5	4	6	Government of Montenegro - interest bearing				
2	5	4	7	Local self-government units - non-interest bearing				
2	5	4	8	Local self-government units - interest bearing				
2	5	4	9	Other Budget of Montenegro beneficiaries- non-interest bearing				
2	5	5	0	Other Budget of Montenegro beneficiaries- interest bearing				
2	5	5	1	Others - non- interest bearing				
2	5	5	2	Others - interest bearing				
2	5	5	3	Regulatory agencies, residents – non-interest bearing				
2	5	5	4	Regulatory agencies, residents –interest bearing				
2	5	5	5	Regulatory agencies, non-residents – non-interest bearing				
2	5	5	6	Regulatory agencies, non-residents – interest bearing				
2	5	6	1	Investment and Development Fund of Montenegro – non-interest bearing				
2	5	6	2	Investment and Development Fund of Montenegro – interest bearing				
2	5	6	3	Employment Agency of Montenegro - non-interest bearing				
2	5	6	4	Employment Agency of Montenegro -				

				interest bearing				
2	5	6	5	Health Insurance Fund - non-interest bearing				
2	5	6	6	Health Insurance Fund - interest bearing				
2	5	6	7	Pension and Disability Insurance Fund - non-interest bearing				
2	5	6	8	Pension and Disability Insurance Fund - interest bearing				
2	5	6	9	Voluntary pension funds, residents - non-interest bearing				
2	5	7	0	Voluntary pension funds, residents - interest bearing				
2	5	7	1	Funds, non-residents - non-interest bearing				
2	5	7	2	Funds, non-residents - interest bearing				
2	5	7	3	Investment Funds, residents - non-interest bearing				
2	5	7	4	Investment Funds, residents - interest bearing				
2	5	7	5	Others, residents - non-interest bearing				
2	5	7	6	Others, residents - interest bearing				
2	5	7	7	Voluntary pension funds, non-residents - non-interest bearing				
2	5	7	8	Voluntary pension funds, non-residents - interest bearing				
2	5	8	1	Private insurance/reinsurance companies, residents – non-interest bearing				
2	5	8	2	Private insurance/reinsurance companies, residents –interest bearing				
2	5	8	3	State insurance/reinsurance companies, residents – non-interest bearing				
2	5	8	4	State insurance/reinsurance companies, residents –interest bearing				
2	5	8	5	Insurance/reinsurance companies, non-				

				residents – non-interest bearing				
2	5	8	6	Insurance/reinsurance companies, non-residents –interest bearing				
2	5	8	7	Factoring companies, non-residents - non-interest bearing				
2	5	8	8	Factoring companies, non-residents - interest bearing				
2	5	8	9	Factoring companies, residents - non-interest bearing				
2	5	9	0	Factoring companies, residents - interest bearing				
2	5	9	1	Microcredit financial institutions, residents - non-interest bearing				
2	5	9	2	Microcredit financial institutions, residents - interest bearing				
2	5	9	3	Microcredit financial institutions, non-residents - non-interest bearing				
2	5	9	4	Microcredit financial institutions, non-residents - interest bearing				
2	5	9	5	Auxiliary financial institutions, residents - non-interest bearing				
2	5	9	6	Auxiliary financial institutions, residents - non-interest bearing				
2	5	9	7	Auxiliary financial institutions, non-residents - non-interest bearing				
2	5	9	8	Auxiliary financial institutions, non-residents - interest bearing				
TOTAL:								