

Pursuant to Article 44 paragraph 2 item 3 and in conjunction with Article 23 of the Central Bank of Montenegro Law (OGM 40/10, 46/10), the Council of the Central Bank of Montenegro, at its meeting held on 28 March 2011, passed the following

DECISION ON THE SUPPLY OF BANKNOTES AND COINS

I. BASIC PROVISIONS

Article 1

This decision regulates the manner of supplying banknotes and coins (hereinafter: cash) to banks and other persons holding an active account with the Central Bank of Montenegro (hereinafter: the client).

The supplying with cash shall cover, within the meaning of this decision, the payout of cash to the client of the Central Bank of Montenegro (hereinafter: the Central Bank) and the payment of cash by the client to the Central Bank.

Article 2

Supplying the client with cash shall be carried out by the specialised organisational unit of the Central Bank of Montenegro – the Treasury (hereinafter: the CBCG Treasury).

II. PAYOUT OF CASH

Article 3

The client shall furnish the CBCG Treasury with the cash payout request (hereinafter: the payout request) enclosed as the form in Annex 1 and making an integral part hereof.

The payout request shall be signed by the responsible person of the client and stamped.

The payout request may not be submitted by an organisational unit of the client.

Article 4

The CBCG Treasury shall perform cash payout in accordance with the request:

- the amount up to 500,000 euro - at the request receipt date;
- the amount exceeding 500,000 euro - on the third day following that of the receipt of the request.

By way of exception from paragraph 1 above, the CBCG Treasury may pay the cash to the client at its request, which exceeds the specified amounts and/or within shorter time periods when it estimates that such a payout is possible.

Article 5

The CBCG Treasury shall pay cash to the client that has transferred funds from its own account to the account of the Central Bank of Montenegro opened for these purposes.

The client may not withdraw cash and/or the CBCG Treasury shall not approve cash payout if the client has not transferred funds in accordance with paragraph 1 above.

The CBCG Treasury shall pay the cash to the client that has transferred funds in the manner specified under paragraph 1 above no later than by 14:30 hours.

In the event of any inconsistency between the amount of cash specified in the payout request and the cash transfer order, the CBCG Treasury shall not perform cash payout.

Article 6

The client shall furnish the CBCG Treasury with the list of persons authorised to receive and handover cash.

Persons under paragraph 1 above shall furnish the CBCG Treasury with their identification information (the personal identification number and the ID number) and deposit their respective signatures.

The client shall inform the CBCG Treasury on any change concerning the persons under paragraph 1 above within three business days before the cash payout.

Article 7

The client shall take over cash from the CBCG Treasury by presenting the payout order – cash payout specification enclosed as a form in Annex 2 and making an integral part hereof.

Cash shall be taken over by at least two authorised persons of the client to be named both in the list specified under Article 6 paragraph 1 herein and in the relevant payout request.

For the purpose of identification, the persons authorised to take over cash shall have the client's authorisation for cash takeover, stamp, and the personal identification documents.

The client's authorisation for cash takeover must include: names and surnames of the authorised persons, their identification data, the amount of cash to be taken over, and the signature of the responsible person of the client verified by the client's stamp.

When taking over cash, the authorised persons shall hand over to the CBCG Treasury the authorisation specified under paragraph 4 above.

Article 8

The persons authorised for cash takeover shall count the cash in the presence of authorised persons from the CBCG Treasury and thus verify its numerical accuracy.

The CBCG Treasury shall provide appropriate spatial, technical and security requirements for cash counting.

Upon establishing the numerical accuracy of the cash, the persons authorised for cash takeover shall confirm the accuracy of the received amount of cash with their respective signatures and the client's stamp to be affixed to the order - cash payout specification, produced in four copies, of which two shall be handed over to the authorised persons from the CBCG Treasury.

Article 9

The CBCG Treasury shall pay out cash every business day from 9:00 to 15:30 hours.

If the client fails to take over cash by 15:30 hours, the CBCG Treasury shall issue an order for the transfer of the untaken cash to the client's account to be effected no later than by 16:00 hours on the same business day.

III. CASH PAYMENT

Article 10

The client shall perform cash payment against an order – cash payment specification enclosed as a form in Annex 3 and making an integral part hereof.

The client may pay in cash in the CBCG Treasury on every business days between 8:30 and 15:30 hours.

Article 11

When handing over cash to be paid in the CBCG Treasury, the client's authorised persons shall witness the cash counting.

The receipt of cash and establishing its numerical accuracy shall be confirmed by the authorised persons from the CBCG Treasury by verifying an order - cash payment specification, produced in four copies, of which two shall be handed over to the client's authorised persons.

Article 12

When numerical accuracy of cash is impossible to be established immediately upon receipt, the client's authorised persons shall confirm the handing over of the

declared cash value and the authorised persons from the CBCG Treasury shall confirm the receipt of the declared cash value by verifying the order – cash payment specification, produced in four copies, of which two shall be given to the authorised persons of the client.

In the case under paragraph 1 above, the authorised persons from the CBCG Treasury shall circle “NO” in the row “NOTE: Control cash counting performed” and thus confirming that the control cash counting has not been performed and reserving the right to correction once the control counting of the declared value is performed.

Article 13

The CBCG Treasury shall pay the cash under Articles 11 and 12 herein to the client’s account on the same day it has received the order – cash payment specification.

Article 14

Should any differences (shortfall/excess) be determined when establishing numerical accuracy of the cash under Articles 11 and 12 herein in relation to the amount specified under the order – cash payment specification, the following procedure is to be followed:

- the client shall immediately compensate the identified cash shortfall by depositing the lacking amount;
- the CBCG Treasury shall immediately return to the client or issue a payment order for the identified excess of cash to be paid to the client’s account.

Article 15

Before handing them over to the CBCG Treasury, the client shall process and separate fit banknotes and coins from unfit banknotes and coins.

Article 16

The client shall sort and pack banknotes to be paid per type and denomination, with the face side up – in packs of 100 banknotes apiece banded by a banknote packing strip, in bundles of 1,000 banknotes apiece (10 packets) and/or in lots that may not contain more than 20,000 banknotes apiece (20 bundles).

The banknote packing strip must display the business name of the client, denomination, the number of pieces and amount, the signatures of the person who performed the counting and the person who performed the subsequent control of numerical accuracy, and the packing date.

Coins of the same denomination must be packed in canvas bags each to contain 1,000 coins of 1, 2, 5 and 10 euro cents, and 500 coins of 20 and 50 euro cents, and 1 and 2 euros.

The canvas bag containing coins must have a cardboard plate fastened to display the business name of the client, denominations, and the amount of coins, and the packing date, together with signatures of members of the committee that have packed these coins.

Article 17

Should the client notice any suspicious banknotes or coins when processing cash, it shall act in accordance with a separate Central Bank regulation governing the handling of suspect banknotes or coins.

Article 18

When the CBCG Treasury, on the occasion of numerical accuracy and fitness checking, identifies suspect banknotes or coins, it shall act in accordance with a separate Central Bank regulation governing the handling suspect banknotes or coins.

If the authorised person of the client is present in the CBCG Treasury on the occasion under paragraph 1 above, this person may compensate the amount of the suspect banknotes or coins or decrease the amount to be specified in the order – cash payment specification.

If the authorised person of the client is not present in the CBCG Treasury on the occasion under paragraph 1 above, the authorised person from the CBCG Treasury shall immediately inform the client and request the compensation of the suspect banknotes or coins or a decrease of the amount to be specified in the order – cash payment specification.

IV. SPECIAL PROVISIONS

Article 19

The Central Bank may perform other cash-related activities for the client, subject to an agreement signed with the client.

Article 20

The Central Bank shall calculate and charge the fees for the services related to the supplying of cash in accordance with a separate Central Bank regulation.

V. FINAL PROVISIONS

Article 21

Decision on Providing Banks with Bank Notes and Coins (OGRM 82/04, 39/05) shall be repealed with effect from the date of entry into force of this Decision, except for provisions under Articles 19 and 20 that shall be repealed with effect from the date of entry into force of a separate Central Bank regulation governing the handling of suspect banknotes or coins.

Article 22

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

THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO

Decision no. 0101-4014/11-4-2010
Podgorica, 28 March 2011

**CHAIRMAN
GOVERNOR,**

Radoje Žugić, m.p.

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