

UNOFFICIALY CONSOLIDATED TRANSLATION

DECISION ON KEEPING SEPARATE RECORDS ON FOREIGN CURRENT AND CAPITAL TRANSACTIONS AND THEIR REPORTING TO THE CENTRAL BANK OF MONTENEGRO

(OGM 08/2017 as of 3 February 2017, 18/19 as of 22 March 2019)

I BASIC PROVISIONS

Article 1

This decision regulates the manner of keeping separate records on foreign current and capital transactions and the submission of data on these transactions to the Central Bank of Montenegro.

Article 2

Residents – legal persons shall keep separate records on foreign current and capital transactions (hereinafter: the separate records).

Residents – legal persons shall keep the separate records on foreign current and capital transactions specified under the law regulating foreign current and capital transactions.

Article 3

Data on foreign current and capital transactions shall be registered as separate records as per the time of their occurrence to be verified on the basis of document evidencing their conclusion.

The separate records shall be kept in the form of a bound book, cards or as electronic records and/or in any other form that enables the verification of such records.

Article 4

Data on foreign current and capital transactions shall be submitted to the Central Bank of Montenegro (hereinafter: the Central Bank) in accordance with provisions of this decision.

II CONTENT OF SEPARATE RECORDS

Article 5

Resident – legal person shall enter in the separate records the following information on the transactions subject to recording:

- ordinal number and data entry date;
- designation and date of the document being the basis for payment or collection (pre-contract, contract, letter of intent, pro forma invoice, invoice, and the like);
- name and registered office of the non-resident with whom the transaction has been concluded;
- contracted transaction value;
- designation in whose name and for whose account the transaction has been concluded; and
- date, amount and the manner of the transfer of funds.

Article 6

In addition to information under Article 5 hereof, resident – legal person shall enter in the separate records the following information in particular:

- 1) on visible imports and/or exports:
 - 1) number and date of the customs declaration,
 - 2) the goods` country of origin, country from which the goods are imported and/or to which the goods are exported;

- 2) on foreign trade in services:
 - a. inward and outward processing of goods:
 - export of goods for outward processing and the import of goods previously exported for processing,
 - import of goods for inward processing and the export of goods previously imported for processing,
 - proceeds from processing services provided by non-residents,
 - expenditure from processing services provided to non-residents;
 - b. on operations involving international transport:
 - revenues and expenditure of residents for transport services provided to non-residents,
 - revenues from ancillary services provided to carriers – non-residents and other non-residents,
 - c. on operations related to the performance of construction (investment)

works in the country and abroad::

- name and registered office of the contractor – in case investment work is performed by several residents, names and registered offices of all participants in the work;
- type of the contracted investment work abroad (site preparation, construction works and civil engineering, installation and assembling of machines, equipment and plants, and the like);
- country in which the work is performed;
- value of the contracted work in euros;
- completion deadline;
- sources of funds (own and/or somebody else's) for credit funding of the work;
- value of investments in the work through the export of domestic equipment or the purchase of equipment or other goods abroad in euros;
- completion and handover dates and the accounting;
- collected amount in euros;
- amount of funds retained in a foreign bank; and
- evidence of the transfer of funds from accounts after the completion of the investment work

d. on non-resident insurance:

- revenues and expenditure of residents - insurance firms – from providing insurance and reinsurance services to non-residents,
- the amount of technical reserves;

3) on direct investments:

- investment date;
- other information to be submitted to the Central Bank in line with this decision;

4) on securities transactions:

- type of securities;
- the securities issuer and the home country of the issuer;
- name of the bank in Montenegro through which the payment has been made;

5) on residents` depositing in foreign credit and financial institutions:

- form of depositing, that is, the purpose for which the foreign account is opened;
- the number and date of the agreement on account opening and the name and registered office of the foreign financial institution;

- the account number;
 - the account expiration date and the account expiration extension date, and the approved account balance;
 - date of recovery of funds in the country;
 - the account closing date;
 - other information to be submitted to the Central Bank in line with this decision;
- 6) on foreign credit operations:
- date and number of the concluded loan or guarantee agreement agreement and/or factoring agreement;
 - the amount of the loan or the guarantee in euros;
 - type and purpose of the loan or the guarantee;
 - bank disbursing the loan;
 - date of the loan transfer to the bank account in the country or abroad;
 - interest rate and total interest amount;
 - the loan or guarantee costs;
 - information of the debt to equity swap and the loan debt write-off;
 - the loan security instrument;
 - other information to be submitted to the Central Bank in line with this decision.
- 7) on loans referring to commercial transaction and the provision of services (hereinafter: trade credits) and advances:
- information on the type of operation,
 - information on imported goods or services that are not paid within a period exceeding one year,
 - information on goods or services charged in advanced that are not exported within a period exceeding one year,
 - information on given or received advances;
 - other information submitted to the Central Bank in line with the provisions of this Decision.”

III REPORTING TO THE CENTRAL BANK

Article 7

Resident – legal person shall submit to the Central Bank the information from the separate records on:

- 1) on foreign trade in services related to the performance of construction (investment) works in the country and abroad;
- 2) direct investments;
- 3) foreign credit operations; and
- 4) balances and turnover of foreign accounts held by residents.

Information under paragraph 1 above shall also be submitted to the Central Bank by: subsidiaries of foreign companies registered in the register of the competent authority in Montenegro, entrepreneurs and natural persons, sorted by the type of entities in line with this decision.

Residents within the meaning of this decision shall be considered entities under paragraphs 1 and 2 above.

Article 7a

Residents shall submit to the Central Bank the information on foreign trade in services related to the performance of construction (investment) works in the country and abroad as follows:

- 1) on non-resident`s construction services in the country on the Form GU-1, and
- 2) on resident`s construction services abroad on the Form GU-2.

The Forms under paragraph 1 above are enclosed within this Decision and make the integral parts thereof.

Residents shall submit the information on foreign trade in services related to the performance of construction (investment) works in the country and abroad on the forms GU-1 and GU-2 on a quarterly basis, no later than 25 days following the reported quarter.

Article 8

A resident in which a non-resident holds at least 10% of shares/equity and a resident which holds at least 10% of shares/equity in a non-resident shall report to the Central Bank on activities of direct investments.

Residents under paragraph 1 above shall submit to the Central Bank the information on direct investments as follows:

- 3) on non-resident`s investments in the country in the Form DI-1, and
- 4) on resident`s foreign direct investments in the Form DI-2.

The Forms under paragraph 2 above are enclosed within this Decision and make the integral parts thereof.

Residents shall submit to the Central Bank the information on the previous year direct investments on the Forms DI-1 and DI-2:

- 1) on quarterly basis, no later than 25 days following the reported quarter, and
- 2) on annual basis, no later than by 15 April of the current year for the reported previous year.

Article 9

Residents shall submit to the Central Bank the information on foreign credit operations as follows:

- 1) on borrowing operations in the Form KZ-1, and
- 2) on lending operations in the Form KO-1.

The Forms under paragraph 1 above are enclosed within this Decision and make the integral parts thereof.

Residents shall submit to the Central Bank the information on foreign credit operations on the Forms KZ-1 and KO-1 on a quarterly basis, no later than 25 days following the reported quarter.

Article 9a

Residents shall submit to the Central Bank the information on trade credits and advances as follows:

- 1) on receivables for trade credits and advances on the Form TK-1, and
- 2) on liabilities for trade credits and advances on the Form TK-2.

The Forms under paragraph 1 above are enclosed with this Decision and make the integral parts thereof.

Residents shall submit the information on trade credits and advances on the forms TK-1 and TK-2 on a quarterly basis, no later than 25 days following the reported quarter.

Article 10

Resident shall submit to the Central Bank the information on foreign account balances and turnover in the Form RN-1.

The Form under paragraph 1 above is enclosed within this Decision and makes the integral part thereof.

Residents shall submit to the Central Bank the information on the previous month foreign account balances and turnover using the Form RN-1 on monthly level, no later than by the tenth day in the month following the reported month.

Article 11

The Forms under Articles 7a, 8, 9, 9a and 10 hereof shall be filled in in line with the instructions for filling in forms enclosed herewith and constituting an integral part herein.

The Forms under Articles 7a, 8, 9, 9a and 10 herein shall be submitted to the Central Bank electronically via the Central Bank internet portal „Resident Reporting”, in line with the user instructions for resident reporting on foreign current and capital transactions published on the Central Bank`s website.

Electronic access and filling in of the Forms under Articles 7a, 8, 9, 9a and 10 shall be made in line with the regulations governing electronic documents, electronic signature, electronic trading, and information security, as well as general acts of the Central Bank regulating these issues.

By way of exception from paragraph 2 above, the Central Bank may, in exceptional cases, allow a resident to submit the forms from Articles 7a, 8, 9, 9a, and 10 herein in some other manner. Izuzetno od stava 2 ovog člana, Centralna banka može, u opravdanim slučajevima, omogućiti rezidentu da obrasce iz čl. 7a, 8, 9, 9a i 10 ove odluke dostavi na drugi način.

IV VERIFICATION AND USE OF INFORMATION

Article 12

Residents shall be responsible for the accuracy of information under this decision and they shall allow the verification of accuracy of this information at the Central Bank`s request.

Article 13

The Central Bank shall use the information specified in this decision for the purpose of preparation of the balance of payments statistics and the monitoring of private external debt and direct investments.

The Central Bank may make the information under paragraph 1 above public only in aggregate form.

V TRANSITIONAL AND FINAL PROVISIONS

Article 14

Exceptionally from Articles 8 and 9 herein, residents shall submit the annual information on the balance of foreign direct investments and credit operations as at 31 December 2016 no later than by 28 April 2017.

Exceptionally from Articles 8 and 9 herein, residents shall submit the quarterly information on the balance of foreign direct investments and credit operations as at 31 March 2017 no later than by 15 May 2017.

Exceptionally from Article 10 herein, residents shall submit to the Central Bank monthly information on the balance and turnover in their foreign accounts in January 2017 no later than by 25 February 2017.

Article 14a

Exceptionally from Article 7a herein, residents shall submit the quarterly information on foreign trade in services related to the performance of construction (investment) works in the country and abroad as at 31 March 2019 no later than by 15 May 2019.

Exceptionally from 9a herein, residents shall submit the quarterly information on receivables and liabilities for trade credits and advances as at 31 December 2018 no later than by 30 April 2019 and information as at 31 March 2019 no later than by 15 May 2019.

Article 15

Decision on keeping separate records on foreign current and capital transactions and their reporting to the Central Bank of Montenegro (OGM 38/10) shall be repealed with effect from the date of entry into force of this decision.

Article 16

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