

The consolidated text of the Decision on the use of the Deutsch Mark as a means of payment with a view to protecting the economic interests of Montenegro includes the following regulations:

1. Decision on the use of the Deutsch Mark as a means of payment aimed at protecting the economic interests of Montenegro ("Official Gazette of the Republic of Montenegro", No. 041/99 of 2 November 1999),
2. Corrigendum of the Decision on the use of the Deutsch Mark as a means of payment aimed at protecting the economic interests of Montenegro ("Official Gazette of the Republic of Montenegro", no. 043/99 of 1 November 1999),
3. Decision amending the Decision on the use of the Deutsch Mark as a means of payment aimed at protecting the economic interests of Montenegro ("Official Gazette of the Republic of Montenegro", no. 022/00 of 21 April 2000),
4. Corrigendum of the Decision amending the Decision on the use of the Deutsch Mark as a means of payment aimed at protecting the economic interests of Montenegro ("Official Gazette of the Republic of Montenegro", no. 024/00 of 26 April 2000), with the date of entry into force indicated therein.

**DECISION ON THE USE OF THE DEUTSCH MARK AS A MEANS OF PAYMENT
WITH A VIEW TO PROTECTING THE ECONOMIC INTERESTS OF MONTENEGRO**

("Official Gazette of the Republic of Montenegro" no. 041/99 of 2 November 1999,
043/99 of 11 November 1999, 022/00 of 21 April 2000, 024/00 of 26 April 2000)

Article 1

In addition to the Yugoslav dinar, the Deutsch Mark (DEM) shall be introduced as a means of payment in Montenegro.

The Government of the Republic of Montenegro may determine that certain types of goods and services are to be sold and charged exclusively in DEM or it may authorise other entities to sell and charge certain types of goods and services exclusively in DEM.

The Ministry of Finance, the Ministry of Trade, the Directorate of Public Revenue, and the Clearance and Settlement Bureau shall supervise the implementation of this decision through their inspections and services departments.

Article 2

The provisions of the Law on the National Bank of Yugoslavia, the Law on Foreign Exchange Transactions and other regulations prohibiting incoming payments and outgoing payments in foreign currency on the territory of Montenegro shall not apply.

Article 3

This decision shall enter into force on the day of its publication in the "Official Gazette of the Republic of Montenegro".

Pursuant to Article 5 of the Decision on taking over certain powers of the National Bank of Yugoslavia aimed at protecting the economic interests of the Republic of Montenegro ("Official Gazette of the Republic of Montenegro" no. 41/99), the Monetary Council of the National Bank of Montenegro hereby passes the following

**DECISION
ON ALLOCATING MANDATORY RESERVES IN DEM ON DINAR PLACEMENTS OF
BANKS**

("Official Gazette of the Republic of Montenegro" no. 023/00 of 24 April 2000)

1. Banks are obliged to allocate mandatory reserves in DEM for dinar placements released into the exchange rate as of 1 January 2000.
2. For placements under point 1 above, a mandatory reserve in DEM shall be allocated at a rate of 10% to the account 204 of the National Bank of Montenegro - the Clearance and Settlement Bureau.
3. Allocation of mandatory reserves for dinar placements shall be carried out on the day of approval or renewal of the placement at the current exchange rate valid on that day. By way of exception from paragraph 1 of this point, the balance of dinar placements as at 20 April of this year shall be subject to the allocation of the mandatory reserve in DEM that is to be carried out the on the day following that of the entry into force of this decision, at the exchange rate valid on that day.
4. Banks shall allocate the mandatory reserve in the DEM from the giro account in the DEM sub-account "three" (own and other funds), in accordance with the instructions of the National Bank of Montenegro - the Clearance and Settlement Bureau.
The National Bank of Montenegro - the Clearance and Settlement Bureau shall return the amount referred to in paragraph 1 of this point to the bank upon the submission of evidence that the placement has been returned.
5. The valid exchange rate shall be the exchange rate from the exchange rate list of the National Bank of Montenegro.
6. In the event that a bank has failed to allocate funds to the placements referred to in point 1 of this decision, the National Bank of Montenegro shall take certain measures against the bank.
7. The provisions of this decision shall also apply to the organisational units of the banks with the headquarters are outside of Montenegro.
8. Banks are obliged to submit to the National Bank of Montenegro a ten-day report on the mandatory reserves on placements three days following the reported ten-year period, using the ORP form which makes an integral part hereof.
9. This decision shall enter into force on the day of its publication in the "Official Gazette of the Republic of Montenegro".

Dec. no. 16

In Podgorica, 24 April 2000

Monetary Council of the National Bank of Montenegro

Chairman,

Božidar Gazivoda, m.p.

Pursuant to Article 5 of the Decision on taking over certain powers of the National Bank of Yugoslavia aimed at protecting the economic interests of the Republic of Montenegro ("Official Gazette of the Republic of Montenegro" no. 41/99), the Monetary Council of the National Bank of Montenegro hereby passes the following

DECISION
ON THE REPLACEMENT OF MANDATORY RESERVES IN DINARS (ACC. 201)
WITH MANDATORY RESERVES IN DEM
(“Official Gazette of the Republic of Montenegro” no. 023/00 of 24 April 2000)

1. This decision shall regulate the replacement of the mandatory reserves on deposits in Dinars with the mandatory reserves in DEM, with the application of the exchange rate valid as at the allocation date.
By way of exception from paragraph 1 of this point, the balance of account 201 shall be replaced on 24 April of this year as at the current exchange rate valid on that day..
2. Banks shall allocate the mandatory reserve in the DEM from the giro account in the DEM sub-account "three" (own and other funds), and the procedure of transferring Dinars from the account 201 shall be made by the National Bank of Montenegro - the Clearance and Settlement Bureau under a separate instruction.
3. The valid exchange rate shall be the exchange rate from the exchange rate list of the National Bank of Montenegro.
4. The National Bank of Montenegro shall not pay interest to the banks on the allocated funds of the mandatory reserves in DEM.
5. Banks may not use funds allocated as mandatory reserves in DEM.
6. The provisions of this decision shall also apply to the organisational units of the banks with the headquarters are outside of Montenegro.
7. This decision shall enter into force on the day of its publication in the “Official Gazette of the Republic of Montenegro”.

Dec. no. 17
In Podgorica, 24 April 2000
Monetary Council of the National Bank of Montenegro
Chairman,
Božidar Gazivoda, m.p.

CENTRAL BANK OF MONTENEGRO LAW

("Official Gazette of the Republic of Montenegro no. 052/00 of 3 November 2000, 053/00 of 13 November 2000, 047/01 of 1 October 2001, 004/05 of 31 January 2005, "Official Gazette of Montenegro" no. 040/10 of 22 July 2010)

I GENERAL PROVISIONS

Article 1

This Law establishes the Central Bank of Montenegro (hereinafter: the Central Bank). The Central Bank is an independent institution of the Republic of Montenegro (hereinafter: the Republic) and it is solely responsible for monetary policy, establishing and maintaining a sound banking system and efficient payment system in the Republic.

Monetary policy of the Central Bank is based on Deutsche Mark (DEM) as a monetary unit, payment instrument as well as a reserves currency, until the introduction of Euro.