

Pursuant to Article 44 paragraph 2 item 3 of the Central Bank of Montenegro Law (OGM 40/10, 6/13, 70/17) and in connection with the Agreement on the Clearing of International Payments no. 0102-4950/1 concluded with the Central Bank of Bosnia and Herzegovina on 11 September 2007, and the Agreement on the Clearing of International Payments no. 0102-4951/1 concluded with the National Bank of Serbia on 13 September 2007, the Council of the Central Bank of Montenegro, at its meeting held on 27 October 2023, passed the following

DECISION

on participation of the Central Bank of Montenegro and banks in the clearing of international payments

I. Basic provisions

Article 1

This Decision governs the participation in the clearing of international payments of the Central Bank of Montenegro (hereinafter: the Central Bank) and banks with their head offices in Montenegro (hereinafter: the banks) which enter into a contract on the clearing of international payments with the Central Bank in accordance with the Agreement on the Clearing of International Payments no. 0102-4950/1 concluded with the Central Bank of Bosnia and Herzegovina on 11 September 2017 and/or the Agreement on the Clearing of International Payments no. 0102-4951/1 concluded with the National Bank of Serbia on 13 September 2007 (hereinafter: agreements on the clearing of international payments) and Operating Rules for Clearing of International Payments that are an integral part of the agreements on the clearing of international payments (hereinafter: the Operating rules).

The clearing of international payments shall be performed by the Clearing operator in accordance with the agreements on the clearing of international payments and Operating rules.

The clearing of international payments shall be performed exclusively in euro currency, and the funds for coverage in the clearing of international payments shall be provided by banks paying-in the funds at the account of the Central Bank with the Deutsche Bank AG Frankfurt opened exclusively for these purposes (hereinafter: the purpose-specific account).

All payment transactions arising from the clearing of international payments shall be executed exclusively through the purpose-specific account.

Participation of banks in the clearing and opening of accounts

Article 2

Banks that are interested in participating in the clearing of international payments shall notify in writing the Central Bank thereof.

The Central Bank shall provide the bank referred to in paragraph 1 of this Article with the Operating rules and Technical requirements that the bank is required to meet to participate in the clearing of international payments.

After fulfilling the technical requirements referred to in paragraph 2 of this Article and testing the functioning of payments, net settlement and communication channels, the bank shall conclude an agreement with the Central Bank on the participation in the clearing of international payments, which regulates mutual rights and obligations in connection with the clearing of international payments.

The bank shall submit an application for the connection to the clearing of international payments, no later than within two business days following that of the conclusion of the agreement referred to in paragraph 3 of this Article, which shall be accompanied by the authorisation indicating names of the persons authorised to contact and submit instructions to the Central Bank with regard to the clearing of international payments and the instructions for transfer of funds.

The Central Bank shall notify the bank in writing on the date of the connection to the clearing, which makes the bank an active participant in the clearing of international payments.

The Central Bank shall open appropriate accounts in its books for each participating bank in the clearing of international payments and it shall record all changes arising from the pay-ins and pay-outs of funds at the purpose-specific account.

Submission of data on net position limit

Article 3

A bank shall submit to the Central Bank in electronic form, up to the time limit specified by the Daily Clearing Schedule determined by the Operating rules, a notification on the net position limit provided (negative net position) at the purpose-specific account.

The Central Bank shall notify the Clearing operator on the net position limit for each bank in the time period specified by the Daily Clearing Schedule.

Where a bank reports, as a net position limit, the amount that exceeds the amount of funds available at the purpose-specific account, the Central Bank shall warn the

bank of this difference, and it shall report to the Clearing operator net position limit for that bank in the amount of actual coverage at the account.

In the event where the bank pays-in the funds after the expiry of the time limit specified by the Daily Clearing Schedule, such funds shall be included in the limit of available funds for the following business day.

Where a bank, from objective reasons, is not able to notify the Central Bank in electronic form on the net position limit arising from the clearing of international payments, the Central Bank shall submit, as a net position of such bank, to the Clearing operator the amount of bank's available funds at the purpose-specific account from the end of the previous clearing day.

Pay-ins of funds

Article 4

Banks shall make pay-ins of funds for the coverage of clearing exclusively to the purpose-specific account.

Upon the funds have been paid in for the coverage of clearing, the banks shall submit to the Central Bank, in electronic form, a notification on the executed pay-in of funds - a copy of SWIFT message (MT 202) until 9 a.m., and in the case of additional pay-ins during the business day, no later than 1:15 p.m.

The Central Bank shall monitor the actual execution of the pay-ins of funds to the purpose-specific account for each bank individually, and record every change up to date.

The limit of available funds for that day shall be only funds for which it has been confirmed that have been, until the time period specified for sending into the clearing of international payments approved to the purpose-specific account and sent to the Clearing operator in 9:15 a.m. and 1:30 p.m.

The bank may make pay-ins of funds even after the expiry of the time provided for sending the available funds to the clearing of international payments, i.e. after 1:15 p.m. on that business day, whereby the amounts of funds paid-in are included in the limit of available funds only for the following day and only if it is confirmed that the funds have been paid in into the account.

Sending payment orders

Article 5

Participating banks in the clearing of international payments shall send payment orders to the Clearing operator in the file via SWIFT service - File Act at the address NBSRRSBD for that business day until 2 p.m.

The file referred to in paragraph 1 of this Article shall contain individual payment orders in the form of the SWIFT message (MT 103) which is filled in accordance with the Operating rules, whereby SWIFT Code of the Clearing operator - NBSRRSBDXIPSN is entered as recipient.

Net position and settlement

Article 6

After the reception of all individual payment orders in accordance with the Daily Clearing Schedule, the Clearing operator shall submit to the Central Bank, in accordance with the Operating rules, net positions for each bank on individual basis and aggregate net positions for the Central Bank.

The Central Bank shall perform logic and formal control of net positions of banks and aggregate net position of the Central Bank, confirm the clearing and submit the notification to the Clearing operator on the executed clearing, or it shall execute payments between the central banks (from 2:05 p.m. to 3:30 p.m.).

The Central Bank shall, based on the notification on net balances of banks and aggregate net balances from the clearing of international payments and reported net position limit of the banks, make payments to other central banks - participants in the clearing.

Upon the confirmation of the finality of clearing by the Clearing operator, the Central Bank shall record the changes at the accounts of banks - participants in the clearing in accordance with their net positions.

In accordance with the Operating rules, the Clearing operator shall submit the file with messages on payments that have been forwarded to it - SWIFT message (MT 103), and the statement with the details - SWIFT message (MT 940).

The banks shall be provided with an overview containing the final balance at the accounts no later than by 15:50 p.m., which shall represent an initial balance for the following business day.

Final balance and notification on the stock of funds

Article 7

After the settlement of net position has been completed, the Central Bank shall calculate the final balance for each bank and submit to the bank, in electronic form, the stock of funds at the purpose-specific account and an overview of all transactions for that day.

The final balance of each bank at the end of the day, specified in accordance with paragraph 1 of this Article, shall be the initial balance of the bank for the following

business day, if the bank does not submit a request for the pay-out of funds from the purpose-specific account.

Pay-outs from the account

Article 8

The banks shall submit to the Central Bank a request for the pay-out of funds from the purpose-specific account using the Template “Request for the pay-out of funds from the purpose-specific account”, which is attached to this Decision and makes an integral part thereof.

The banks that have recorded a positive balance at the purpose-specific account at the end of the clearing day, shall dispose of those funds freely.

The banks may submit to the Central Bank a request for the pay-out of funds from the purpose-specific account up to the amount of positive balance, with clear instructions on transfer for funds containing all necessary data for transfer execution (amount of funds in EUR, value date, name of the correspondent bank, SWIFT with correspondent bank, and the number of the account of the correspondent bank).

The requests for the pay-out of funds from the accounts used to cover the clearing shall be accepted until 9 a.m. or only until the time limit envisaged for sending the available limits in the clearing, and the requests received after 9 a.m. on the same day shall be executed using the value date of the following day.

The banks may require the pay-out of funds to be credited to their account in the country or abroad.

The Central Bank shall, based on the authorisation from the bank and in accordance with its instructions, credit the account of the bank for the transfer funds on the same day, if possible, and no later than the following business day.

The Central Bank shall create a payment order for transfer execution - SWIFT message (MT 202) based on the request referred to in paragraph 1 of this Article, record the pay-out of funds from the purpose-specific account and monitor the pay-outs from that account.

Where the transaction account of the bank is credited for the pay-out of funds, the Central Bank shall deliver the order for the transfer of funds for the given amount to be credited to the bank and credit other account of the Central Bank abroad for the transfer of funds and debit the purpose-specific account, and it shall reduce the funds of the bank at the purpose-specific account by the amount of funds paid out.

The bank may send request referred to in paragraph 1 of this Article also after the lapse of time envisaged for sending available funds into the clearing of international payments but only using value date of the following day, so that the implementation of these requests influences the limit of available funds only for the following day.

Payments and complaints

Article 9

The Central Bank shall, based on the notification of net balances of banks and aggregate net balances from the clearing of international payments and reported net position limits of the banks, make appropriate payments to other central banks - participants in the clearing.

The Central Bank shall receive, for information purposes, a copy of bank's complaint in the case of deviations found in the statements received from the Clearing operator.

The bank shall deliver a copy of the submitted complaint on the statement from the transaction account to the Central Bank for information purposes.

Calculation of interest and expenses

Article 10

The Central Bank shall calculate, once a month, interest and expenses incurred on the basis of the clearing of international payments.

The banks' accounts referred to in Article 2 paragraph 6 of this Decision maintained in the books of the Central bank shall be credited for the corresponding amount of interest or debited for the corresponding amount of negative interest and expenses (maintenance of purpose-specific account, transfer costs, SWIFT costs) up to the eighth day in the month for the preceding month.

The basis for calculation of interest for banks shall be the amount of funds at the purpose-specific account on the basis of the daily balance of banks.

The expenses with regard to the clearing of international payments (costs of transfer, SWIFT costs) shall be calculated according to the number of transactions - pay-ins to the account and pay-outs from the account, as well as the number of pay-ins and pay-outs based on the net positions of participating banks in the clearing of international payments, and the maintenance costs of purpose-specific account shall be evenly distributed to participating banks in the clearing.

The Central Bank shall use interest income realised from the funds at the purpose-specific account to cover expenses referred to in paragraph 4 of this Article, while

the remaining expenses shall be proportionately distributed to the participating banks in the clearing.

Fees

Article 11

The Central Bank shall calculate its fees in the clearing of international payments in accordance with the regulation of the Central Bank governing the tariff for calculating fees charged for the Central Bank services, whereas the banks will be charged a fee exclusively for the payment orders sent by banks in the clearing of international payments, while no fee shall be charged by the Central Bank for payment orders received by banks from the clearing of international payments.

The fees that refer to the SWIFT services in the clearing of international payments shall be charged by the SWIFT in accordance with the price list for the SWIFT services.

In accordance with the principle of charging fee referred to in paragraph 1 of this Article, the banks may charge only fees for orders sent to the clearing of international payments, while no fee shall be charged for the orders received from the clearing of international payments.

Repealed regulation

Article 12

On the day this Decision enters into force, the Decision on clearing of international payments (OGM 20/08) shall be repealed.

Entry into force

Article 13

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

CHAIRPERSON

Decision number: 0101- 7954 - 2/2023
R N O R,
Podgorica, 27 October 2023

G O V E

Radoje Žugić, m.p.

(Name of the bank)

Number: _____
(Place) _____
(Date) _____

CENTRAL BANK OF MONTENEGRO

Division for payment system transactions and international correspondent relations

REQUEST FOR THE PAY-OUT OF FUNDS FROM THE PURPOSE-SPECIFIC ACCOUNT

Please transfer funds from the purpose-specific account for covering clearing of international payments to our account held with the following correspondent bank:

Bank's code:

Amount in EUR:

Value date:

Name of the correspondent bank:

Swift code of the correspondent bank:

Number of the account of the correspondent bank:

Authorised signatories: