

Pursuant to Article 44 paragraph 2 point 3 of the Central Bank of Montenegro Law (OGM 40/10, 46/10, 06/13) and Article 64 paragraph 8 of the Payment System Law (OGM 62/13), the Central Bank of Montenegro Council, at its meeting held on 10 November 2014, passed the following

DECISION
**on the structure, more detailed conditions and manner of transaction
account opening and closing**

I. BASIC PROVISIONS

Article 1

This Decision regulates the structure, more detailed conditions and manner of transaction account opening and closing for executing national and international payment transactions.

Article 2

A transaction account is a type of the payment account opened in the name of one or more payment service users for executing payment transactions and for other purposes by the following payment service providers:

- 1) banks and other credit institutions offering payment services;
- 2) a branch of a credit institution from a third country with the head office in Montenegro, and
- 3) by the Central Bank of Montenegro (hereinafter: the Central Bank).

Payment service providers under paragraph 1 above may open transaction accounts for payment service users for the execution of:

- 1) national payment transactions, and
- 2) international payment transactions.

Payment service providers under paragraph 1 above may open transaction accounts for the execution of the national and international payment transactions to:

- 1) payment service users – residents, and
- 2) payment service users – non-residents.

Residents and non-residents, within the meaning of this decision, shall be persons defined as residents and non-residents under the law regulating foreign current and capital transactions.

II. STRUCTURE OF THE TRANSACTION ACCOUNT FOR EXECUTING NATIONAL AND INTERNATIONAL PAYMENT TRANSACTIONS

1. Structure of the transaction account for executing national payment transactions

Article 3

Payment service providers referred to in Article 2 paragraph 1 herein shall open the transaction account for executing the national payment transactions according to the BBAN structure (*Basic Bank Account Number*), the numeric structure of which contains total of 18 numeric characters.

Arabic numerals shall be used as numeric characters.

Numeric character of the transaction account consists of three following parts:

- 1) Fixed number of the payment service provider under Article 2 paragraph 1 herein (three numeric characters);
- 2) Transaction account number (thirteen numeric characters); and
- 3) Control number (two numeric characters).

Transaction account referred to in paragraph 3 above shall be written in three parts in written documents determined by this paragraph, separated by dashes, while leading zeros in the second part may be omitted.

Transaction account under paragraph 3 above shall be used in electronic form solely as the line of 18 numeric characters prescribed by paragraph 3 of this Article.

Article 4

Fixed number referred to in Article 3 paragraph 3 point 1) herein shall be the unique identification number, which the Central Bank determines for each payment service provider under Article 2 paragraph 1 herein.

The Central Bank shall keep records of all fixed numbers assigned to the payment service providers under Article 2 paragraph 1 herein and it shall publish them on its web site.

Article 5

The transaction account number referred to in Article 3 paragraph 3 point 2) herein shall be determined by the payment service provider referred to in Article 2 paragraph 1 herein.

Article 6

Control number referred to in Article 3 paragraph 3 point 3) shall be the number calculated for the line of sixteen digits (fixed number of the payment service providers under Article 2 paragraph 1 herein and the transaction account number) according to the international standard ISO 7064, MODUL 97. The control number shall be obtained by multiplying the line of the first sixteen digits by 100, dividing the obtained number by 97, and by subtracting the rest from 98. The obtained result, expressed by two digits, shall be the control number. If there are no remaining parts during the subtraction, the control number shall be 98.

Article 7

The transaction account opened in accordance with Article 3 paragraph 3 herein may be used as uniform identification sign within the meaning of the provisions of the law regulating the payment system.

2. Structure of the transaction account for executing international payment transactions

Article 8

Payment service providers referred to in Article 2 paragraph 1 herein shall open the transaction account for executing international payment transactions according to the IBAN structure (*International Bank Account Number*), which alphanumeric character consists of 22 characters.

Article 9

Alphanumeric character of the transaction account under Article 8 herein shall consist of the following five separate parts:

- 1) Country code (two alphabet characters);
- 2) Control number for IBAN structure (two numeric characters);
- 3) Fixed number of the payment service provider under Article 2 paragraph 1 herein (three numeric characters);
- 4) Transaction account number (thirteen numeric characters); and
- 5) Control number (two numeric characters).

Transaction account under paragraph 1 above shall be written in written documents in the form of twenty-two alphanumeric characters formed in five groups of four characters and one group of two characters, separated by one empty field.

Transaction account under paragraph 1 above shall be used in electronic form solely as the line of twenty-two alphanumeric characters.

Article 10

Country code referred to in Article 9 paragraph 1 point 1) herein shall be ME and it shall be uniform identification sign for Montenegro as defined under ISO standard 3166-1.

Article 11

Control number for IBAN structure referred to in Article 9 paragraph 1 point 2) herein shall be algorithmic number 25 calculated according to the international standard ISO 7064, MODUL 97.

Article 12

Fixed number of the payment service provider referred to in Article 9 paragraph 1 point 3) herein shall be uniform identification number set forth in accordance with Article 4 herein.

Article 13

The transaction account number referred to in Article 9 paragraph 1 point 4) shall be determined by the payment service provider referred to in Article 2 paragraph 1 herein.

Article 14

Control number referred to in Article 9 paragraph 1 point 5) shall be the number calculated in accordance with Article 6 herein.

III. OPENING, MAINTAINING AND CANCELLING OF THE TRANSACTION ACCOUNTS FOR EXECUTING NATIONAL AND INTERNATIONAL PAYMENT TRANSACTIONS

1. Common provisions

Article 15

The Central Bank shall open, maintain and cancel transaction accounts of entities which are legally obliged to open and maintain, and/or which may open and maintain accounts with the Central Bank.

The Central Bank may open and maintain the accounts to the following entities:

- 1) Settlement agents, clearing houses, and payment system operators participating in the RTGS system;

- 2) Central Depository Agencies – the account for netting of cash of the subprime market transactions (cash pool).

Article 16

Payment service providers referred to in Article 2 paragraph 1 herein, except the Central Bank, shall open, maintain and cancel:

- 1) transaction accounts of companies and legal persons (hereinafter: legal persons) and entrepreneurs, and
- 2) transaction accounts of natural persons.

Article 17

Payment service providers referred to in Article 2 paragraph 1 herein shall open transaction accounts based on framework contract signed with the payment service users regulating the terms and conditions of transaction account opening, maintaining and cancelling.

When opening transaction accounts, payment service providers referred to in Article 2 paragraph 1 herein shall determine the identity of the payment service users and conduct other actions in accordance with regulations governing prevention of money laundering and terrorist financing.

Framework contract under paragraph 1 herein shall be concluded according to the written request of the payment service user for the opening of the transaction account supported by the documents set forth in this Decision.

Article 18

Payment service providers referred to in Article 2 paragraph 1 herein shall record executed payment transactions at the level of individual transaction accounts of the payment service users.

Payment service providers referred to in Article 2 paragraph 1 herein shall record and update on daily basis the data and provide accuracy of the recorded data.

2. Transaction accounts of residents

2.1. Transaction accounts of legal persons and entrepreneurs – residents

Article 19

A legal person or an entrepreneur – resident shall be submit the request for opening of the transaction account for the execution of national and international payment transactions, which shall contain the following data:

- 1) Name of the legal person or entrepreneur;
- 2) Place – head office, address and telephone number;
- 3) Activity – type of operations of legal person or an entrepreneur;
- 4) Identification number of the legal person; identification number, and the personal identification number of entrepreneur;
- 5) Stamp and signature of the person authorized for the representation of the legal person or entrepreneur.

In addition to the request referred to in paragraph 1 herein, the applicant shall submit the following documents:

- 1) decision on registration – registration in the Central Registry of Companies (CRPS), and/or document on registration with other competent authority, if its registration is required;
- 2) document of the competent authority on founding, if its registration is not required;
- 3) Abstract from the law, if it is established directly pursuant to the law;
- 4) Notification of the competent authority on classification by activities;
- 5) document on registration with tax authority which contains tax number of the applicant, if such registration is prescribed;
- 6) Filled specimen signature card of persons authorized for signing the payment orders;
- 7) document on the appointment of authorised person of the applicant for its representation, if such person is not specified in the document on registration and/or in the law or other relevant regulation;
- 8) Verification of the signature of authorised person of the applicant;
- 9) Evidence on the payment of the compensation and/or the fee, if prescribed;
- 10) Other documents requested by the payment service provider referred to in Article 2 paragraph 1 herein in accordance with its business policy.

When an applicant is the person whose transaction account, pursuant to the law, is excluded from the enforced collection, it shall submit, in addition to the documents referred to in paragraph 2 herein, documents which certify that this transaction account is excluded from the enforced collection.

Notwithstanding paragraph 2 above, in addition to the request for opening the transaction account for payment of funds for establishing a legal person, only contract on establishing that legal person shall be submitted.

In addition to the request and documents under paragraph 2 above, payment service provider referred to in Article 2 paragraph 1 herein shall request other data, i.e. other documents, if it is prescribed by the law or other regulation, and may also request the submission of additional documents which it deems necessary for deciding upon the request.

When, on the basis of the submitted request and documents, the payment service provider referred to in Article 2 paragraph 1 herein determines that the conditions for opening the transaction accounts are fulfilled, it shall conclude with the applicant the framework contract on transaction account opening and maintaining.

Article 20

Specimen signature card referred to in Article 19 paragraph 2 point 6) herein must contain the following data:

- 1) Transaction account number;
- 2) Name of the applicant;
- 3) Head office, address and telephone number of the applicant;
- 4) Name, last name, uniform identification number or a number of foreign personal document and address of a person authorised for signing the payment order;
- 5) Manner of signing (individually or collectively);
- 6) Signature of the person authorised for signing payment orders verified by stamp to be used for the verification of the payment orders;
- 7) Date;
- 8) Signature of the authorised person and stamp of the applicant;
- 9) Signature of the authorised person and stamp of the payment service provider referred to in Article 2 paragraph 1 herein; and
- 10) Other data requested by the payment service provider which opens the transaction account.

Article 21

Payment service providers referred to in Article 2 paragraph 1 herein shall cancel the transaction account to a legal person or an entrepreneur – resident based on its written request for cancelling of the respective transaction account, and the cash from the cancelled transaction account shall be transferred to the transaction account noted in that request.

In addition to the data referred to in Article 19 paragraph 1 herein, the request for cancelling of the transaction account shall contain the number of the transaction

account which cancelation is requested and the number of the transaction account to which the funds are transferred using the appropriate payment order.

When the transaction account is cancelled to a legal person or an entrepreneur that ceases to exist as a legal entity, funds from the accounts to be cancelled may be paid in cash.

By way of derogation from paragraph 1 above, payment service providers referred to in Article 2 paragraph 1 herein shall cancel the account of the payment service users without the request if the payment service user ceases to exist as a legal entity on the basis of the law or other regulation (upon the finalisation of the bankruptcy and/or liquidation proceedings, and the like).

In case of paragraph 4 above, if the legal successor or other person in favour of whose transaction account the payment transaction is executed is not prescribed by regulation or other legal document, the payment service provider referred to in Article 2 paragraph 1 herein shall transfer cash from the cancelled transaction accounts to the transaction account opened for cash which is not in use.

Payment service providers referred to in Article 2 paragraph 1 herein shall deny the request for cancelling the transaction account of a legal person or an entrepreneur – resident which is frozen (during the enforced collection, prohibition of disposal, and the like).

Article 22

Payment service provider referred to in Article 2 paragraph 1 herein shall cancel all transaction accounts of the payment service user which is a legal entity or an entrepreneur - resident under bankruptcy or liquidation proceedings, pursuant to the request of bankruptcy or liquidation administrator, and shall open the bankruptcy or liquidation transaction account.

In addition to the request referred to in paragraph 1 above, bankruptcy or liquidation administrator shall submit the following documents:

- 1) Request for opening of the bankruptcy or liquidation transaction account to which the following documents are enclosed:
 - decision on initiation of the bankruptcy or the liquidation proceedings;
 - notification of the competent authority on classification by activities of the payment service user in bankruptcy or in liquidation;
 - document on registration of the payment service user in bankruptcy or in liquidation with the tax authority;
 - Filled specimen signature card of persons authorised for signing the payment orders from the transaction account of the payment service user under bankruptcy or liquidation proceedings, signed by authorised person, verified by the stamp to be used for the verification of payment orders;

- 2) Abstract from the law which proves that this account is exempted from the enforced collection;
- 3) Payment order for transfer of funds from transaction accounts of the payment service user under bankruptcy or liquidation proceedings to be cancelled, before the cancellation, to the opened transaction account of the payment service user under bankruptcy or liquidation proceedings;
- 4) Request for cancelling all transaction accounts of the payment service user against whom bankruptcy or liquidation proceeding has been initiated;
- 5) Evidence on payment of compensation or fee, if prescribed.

Article 23

A payment service provider shall transfer funds referred to in Article 2 paragraph 1 herein from transaction accounts of the payment service user to be cancelled to the opened transaction account of the payment service user under bankruptcy or liquidation proceedings, which cannot be used for other payment transactions until cancelling the transaction accounts of the payment service user against whom bankruptcy or liquidation proceedings have been initiated.

Article 24

If the bankruptcy proceedings are terminated and the payment service user under bankruptcy or liquidation proceedings continues with business, the payment service provider referred to in Article 2 paragraph 1 herein shall, upon the request of the bankruptcy administrator or other authorised person, cancel transaction account of the payment service user against whom bankruptcy proceedings are terminated, and shall open a new transaction account to the payment service user.

In addition to the request from the paragraph 1 above, the following documentation shall be submitted:

- 1) Request for opening the transaction account supported by the following documents:
 - decision on termination of the bankruptcy proceedings against the payment service user under bankruptcy proceedings;
 - notification of the competent authority on classification by activities of the payment service user against which the bankruptcy proceedings are terminated;
 - document on registration with the tax authority of the payment service user against which the bankruptcy proceedings are terminated; and
 - Filled specimen signature card of the persons authorised for signing the payment, signed by authorised person, verified by the stamp to be used for verification of payment orders;
- 2) Payment order for transfer of funds from transaction accounts of the payment service user against which the bankruptcy proceedings are

- terminated which shall be cancelled, before the cancellation, to newly opened transaction account of the payment service user;
- 3) Request for cancelling transaction account of the payment service user against whom bankruptcy or liquidation proceeding has been terminated;
 - 4) Evidence on the payment of compensation or fee, if they are prescribed.

Article 25

Payment service provider referred to in Article 2 paragraph 1 herein shall transfer funds from the transaction account of the payment service user against which the bankruptcy proceedings are terminated to the newly opened transaction account of that payment service user, which cannot be used for other payment transaction until cancelling the transaction account of the payment service user against whom bankruptcy or liquidation proceedings have been conducted.

Article 26

Payment service provider shall cancel the transaction accounts of the payment service user whose statutory changes occurred, pursuant to the request of that payment service user or its legal successor, and shall execute transfer from the cancelled transaction accounts to the transaction account specified in the request.

In addition to the request referred to in paragraph 1 above, the payment service user or his legal successor shall submit the following:

- 1) Request for opening the transaction account of the payment service user created by the statutory change, supported by the following documents:
 - decision on registration of the statutory change in the register of the competent authority;
 - document on registration of the payment service user created by the statutory change, if such registration is prescribed;
 - Notification of the competent authority on classification by activities of the payment service user created by the statutory change;
 - Document on registration of the payment service user who is the legal successor of the payment service user created by the statutory change with competent tax authority; and
 - Filled specimen signature card of persons authorised for signing payment orders, signed by authorised person, verified by the stamp to be used for verification of payment orders;
- 2) Payment order for transfer of funds from all transaction accounts of the payment service user ceased to exist by statutory change which shall be cancelled, before the cancellation, to the opened transaction account of one or several payment service users created by statutory change, i.e. to the transaction account of the incorporating payment service user;
- 3) Request for cancelling all transaction accounts of the payment service user ceased to exist by statutory change, with the decision on deleting of

- the payment service user ceased to exist by statutory change as a legal entity from the register of the competent authority;
- 4) Evidence on payment of the compensation or fee, if they are prescribed.

2.2. Transaction accounts of natural persons – residents

Article 27

A natural person – resident shall submit the request for opening transaction account for the execution of national or international payment transactions, which shall contain the following data:

- 1) Name and last name of the natural person;
- 2) Residence, address and telephone number;
- 3) Uniform identification number of natural person;
- 4) Signature of natural person;
- 5) Other data requested by the payment service provider with which transaction account shall be opened in accordance with its business policy.

In addition to the request referred to in paragraph 1 above, the applicant shall submit documents determining the identity of such person (personal identification document, passport or other corresponding personal documents), as well as his citizenship.

In addition to the request referred to in paragraph 1 above, the applicant shall submit its specimen signature card, and in case it authorises another person to sign payment orders, it shall submit specimen signature card of such person.

Payment service provider referred to in Article 2 paragraph 1 herein may open transaction account also to a minor – resident based on the framework contract, which, on behalf and for the account of such person, is signed by its legal representative after determining the identity of the representative.

A natural person – resident may authorise other person to sign, on his behalf and for his account, framework contract on opening and maintaining transaction account, where payment service providers referred to in Article 2 paragraph 1 herein shall determine the identity of the authorised person and open the transaction account based on power of attorney verified by the competent authority and which may not be older than three months.

When it is determined based on the submitted request and documentation that the conditions for opening transaction account have been fulfilled, the payment service provider referred to in Article 2 paragraph 1 herein shall sign framework contract on transaction account opening and maintaining with the applicant.

Article 28

Payment service providers referred to in Article 2 paragraph 1 herein shall cancel transaction account to a natural person – resident based on his written request for cancelling of the respective transaction account, and the cash from the cancelled transaction account shall be transferred to the transaction account noted in that request or may be paid in cash.

In addition to the data referred to in Article 27 paragraph 1 herein, the request for cancelling of the transaction account shall contain the transaction account which cancelation is requested and the transaction account to which the funds are transferred using the appropriate payment order, if the funds are transferred to another transaction accounts.

Payment service providers referred to in Article 2 paragraph 1 herein shall deny the request for cancelling the transaction account of a natural person – resident which is frozen (during the enforced collection, prohibition of disposal, and the like).

3. Transaction accounts of non-residents

3.1. Transaction accounts of legal persons – non-residents

Article 29

Request submitted by a legal person – non-resident for opening transaction account for the execution of national or international payment transactions shall contain the following data:

- 1) Name of the legal person;
- 2) Place and state of its registered office, address and telephone number;
- 3) Activity – scope of activity of the legal person;
- 4) signature of a person authorised for representing legal person – non-resident and a seal, if any.

In addition to the request under paragraph 1 above, the applicant shall submit the following documents:

- 1) Statement from the registry in which legal person – non-resident was registered in a country of its registered office or, if it has been founded in a country in which the registration has not been done in such registry – other valid document on founding in accordance with the regulations of the originating country based on which legal form of such non-resident can be determined as well as the date of its founding;
- 2) Verified signature of authorised person of the applicant;
- 3) Filled specimen signature card of persons authorised for signing payment orders, signed by the authorised person from the decision on registration of the legal person – non-resident in originating country and/or a person to

- which the authorised person has transferred proxy and/ or from other legally valid document of founding, verified by seal to be used for the verification of payment orders;
- 4) Evidence on the payment of fee or taxes, if prescribed;
 - 5) Other documents requested by the payment service providers referred to in Article 2 paragraph 1 herein in accordance with its business policy.

A copy of the document referred to in paragraph 2 point 1 above which is verified by a competent body shall be submitted as well as its certified translation to Montenegrin language that cannot be older than three months.

A legal person – non-resident shall, upon the signing of the framework contract on the transaction account opening and closing, submit the document referred to in paragraph 3 above to the payment service provider referred to in Article 2 paragraph 1 herein once a year. If it fails to do so, the payment service provider referred to in Article 2 paragraph 1 herein shall not execute payment transactions of such legal person – non-resident until it submits such document.

When opening transaction account, foreign diplomatic and consular representative offices in Montenegro shall submit the following:

- 1) Certificate on registration issued by state authority responsible for foreign affairs;
- 2) Information of the competent authority in Montenegro on classification of activities;
- 3) Document on registration with the competent tax authority in Montenegro containing tax identification number;
- 4) Verified signature of the authorised person of the applicant;
- 5) Filled specimen signature card of persons authorised for signing payment orders from that account;
- 6) Evidence on the payment of fee or taxes, if prescribed;
- 7) Other documents requested by the payment service providers referred to in Article 2 paragraph 1 herein in accordance with its business policy.

When it is determined based on the submitted request and documentation that the conditions for opening transaction account have been fulfilled, the payment service provider referred to in Article 2 paragraph 1 herein shall sign framework contract on transaction account opening and maintaining with the applicant.

Article 30

Payment service providers referred to in Article 2 paragraph 1 herein shall cancel transaction account to a legal person – non-resident based on its written request for cancelling of the respective transaction account, and the cash from the cancelled transaction account shall be transferred to the transaction account noted in that request or may be paid in cash.

In addition to the data referred to in Article 29 paragraph 1 herein, the request for cancelling of the transaction account shall contain the transaction account which cancelation is requested and the transaction account to which the funds are transferred using the appropriate payment order, if cash payment is not required.

In case of paragraph 2 above, if legal successor has not been determined or other person on which behalf the payment transaction from the transaction account is executed, the payment service provider referred to in Article 2 paragraph 1 herein shall transfer cash from the cancelled transaction account to the transaction account opened for cash that is not used.

Payment service providers referred to in Article 2 paragraph 1 herein shall deny the request for cancelling the transaction account of a legal person – non-resident which is frozen (according to the court decision, and the like).

3.2. Transaction accounts of natural persons – non-residents

Article 31

Request submitted by the natural person – non-resident for opening transaction account for the execution of national or international payment transactions shall contain the following data:

- 1) Name of the natural person;
- 2) residence, address and telephone number;
- 3) identification number from passport or other corresponding personal document of such natural person;
- 4) signature of a natural person;
- 5) other data requested by the payment service provider with which a transaction account is opened in accordance with its business policy.

In addition to the request referred to in paragraph 1 above, the applicant shall submit foreign travel documents determining the identity of such person as well as his citizenship.

In addition to the request referred to in paragraph 1 above, the applicant shall submit its specimen signature card, and in case it authorises another person to sign payment orders, it shall submit specimen signature card of such person.

Payment service providers referred to in Article 2 paragraph 1 herein may open transaction account also to a minor – non-resident based on the framework contract, which, on behalf and for the account of such person, is signed by its legal representative after determining the identity of the representative.

A natural person – non-resident may authorise other person to sign, on his behalf and for his account, framework contract on opening and maintaining transaction

account, where payment service providers referred to in Article 2 paragraph 1 herein shall determine the identity of the authorised person and open transaction account based on power of attorney verified by the competent authority and which may not be older than three months.

When it is determined based on the submitted request and documentation that the conditions for opening transaction account have been fulfilled, the payment service provider referred to in Article 2 paragraph 1 herein shall sign framework contract on transaction account opening and maintaining with the applicant.

Article 32

Payment service providers referred to in Article 2 paragraph 1 herein shall cancel transaction account to a natural person – non-resident based on its written request for cancelling of the respective transaction account, and the cash from the cancelled transaction account shall be transferred to the transaction account noted in that request or may be paid in cash.

In addition to the data referred to in Article 31 paragraph 1 herein, the request for cancelling of the transaction account shall contain the transaction account which cancelation is requested and the transaction account to which the funds are transferred using the appropriate payment order, if payment in cash is not required.

Payment service providers referred to in Article 2 paragraph 1 herein shall deny the request for cancelling the transaction account of a legal person – non-resident which is frozen (according to the court decision, and the like).

4. Joint transaction account

Article 33

Request for opening joint transaction account shall be signed by all persons intended to be holders of joint transaction account.

In addition to the request referred to in paragraph 1 above, the documents set forth in this decision for opening transaction accounts shall be submitted individually for each holder of joint transaction account.

IV. FINAL PROVISIONS

Article 34

Decision on the structure of the transfer execution account and the detailed conditions and manner of the account opening and closing (OGM 24/09, 15/11) and the Decision on the unique structure for identification and classification of the accounts by IBAN standard for cross border payments (OGRM 74/06) shall be repealed with effect from the date of entry into force of this decision.

Article 35

This decision shall enter into force on the eighth day following that of its publication in the Official Gazette of Montenegro, and it shall apply from 9 January 2015.

THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO

**CHAIRMAN
GOVERNOR,**

Decision number: 0101-4014/63-2
Podgorica, 10 November 2014

Milojica Dakić, m.p.