

Pursuant to Article 44 paragraph (2) item 3) of the Central Bank of Montenegro Law (OGM 40/10, 06/13, 70/17), and in conjunction with Article 35 paragraphs (4), (7) and (9) and Article 41 paragraph (1) of the Law on Resolution of Credit Institutions (OGM 72/19), the Council of the Central Bank of Montenegro, at its meeting held on 1 December 2020 passed the following

DECISION ON NOTIFICATIONS ABOUT RESOLUTION OF A CREDIT INSTITUTION

Subject matter

Article 1

This Decision governs the contents and the manner of submitting and publishing notifications about the fulfilment of conditions for resolution of credit institutions and legal persons referred to in Article 3 paragraphs (2), (3), and (4) of the Law on Resolution of Credit Institutions (OGM 72/19) – (hereinafter: the Law) and notifications on opening the resolution proceedings against those persons.

Notifications on the fulfilment of conditions for resolution

Article 2

Notification on the fulfilment of conditions for resolution that a credit institution, or a legal person referred to in Article 3 paragraphs (2), (3) and (4) of the Law submits to the Central Bank, shall contain:

- 1) name, address of head offices, and identification number of a credit institution or a legal person referred to in Article 3 paragraphs (2), (3) and (4) of the Law;
- 2) name and address of head offices of a direct or ultimate parent undertaking of the credit institution, if relevant;
- 3) relevant information and analyses that the management body of the credit institution or legal person referred to in Article 3 paragraphs (2), (3) and (4) of the Law has considered when assessing whether the conditions for resolution are met;
- 4) assessment of the management body that the credit institution or a legal person referred to in Article 3 paragraphs (2), (3) and (4) of the Law may not or will not be able to continue its operations; and
- 5) any additional information that the management body of the credit institution or a legal person referred to in Article 3 paragraphs (2), (3) and (4) of the Law deems relevant for the assessment of fulfilment of conditions for resolution.

Acting upon receipt of notification

Article 3

- (1) Immediately after receiving notification referred to in Article 2 of this Decision, the supervisory function shall submit to the resolution function the following:
 - 1) a copy of the notification, assessment, and information referred to in Article 2 of this Decision;

- 2) information on supervisory measures taken by the Central Bank in pursuing its mandate as the supervisory authority or ordered to be carried out by the credit institution, or legal person referred to in Article 3 paragraphs (2), (3) or (4) of the Law;
 - 3) any additional supporting documents that the supervisory function deems necessary so that the resolution function can prepare a proposal for appropriate decisions.
- (2) The supervisory function, at the request of the resolution function, shall submit to that functional unit also all additional information necessary for performing assessment of the fulfilment of conditions for resolution.

Notification of competent authorities on the opening of resolution proceedings

Article 4

Notification on the opening of resolution proceedings that the Central Bank submits to authorities determined by the Law, shall include:

- 1) name of a credit institution or legal person referred to in Article 3 paragraphs (2), (3) or (4) of the Law, to which the notification refers to;
- 2) information referred to in Article 2 items 3) of this Decision;
- 3) summary of assessment of fulfilment of conditions for resolution.

Public notification on the opening of the resolution proceedings

Article 5

(1) Notification on the opening of the resolution proceedings that the Central Bank publishes, instead of the decision on the opening of resolution proceedings, on its website shall include:

- 1) name, address of head offices, and identification number of a credit institution, or legal person referred to in Article 3 paragraphs (2), (3) and (4) of the Law,
- 2) name and address of head office of direct and ultimate parent undertaking of the credit institution, where necessary;
- 3) list of other group members and connected branches to which resolution actions have effect, including, to the extent possible, information about branches in other countries;
- 4) a summary of relevant resolution actions that are taken, dates from which those resolution actions take effect, and in particular their effect on natural persons, micro, small and medium-sized enterprises, which contains:
 - information on access to deposits, in accordance with the law governing deposit protection, held by the credit institution to which the resolution measure applies;
 - information on access to the assets and funds of clients held by the credit institution to which the resolution measure applies;
 - information on contractual payment or delivery obligations subject to suspension in accordance with Article 120 of the Law, including information on the beginning and termination of the suspension period;
 - information on creditors which are, in accordance with Article 121 of the Law, subject to suspension of enforcement of execution over assets of the credit institution under resolution, including information on the beginning and termination of that suspension;

- information on the counterparties affected by the temporary suspension of termination rights, including information on the beginning and termination of the suspension period, in accordance with Article 122 of the Law;
- 5) information on the normal course of contractual obligations, including repayment plans, that are not subject to suspensions referred to in Articles 120, 121 and 122 of the Law;
- 6) contact information, where clients and creditors can request additional and up-to-date information on the credit institution under resolution or legal person referred to in Article 3 paragraphs (2), (3), and (4) of the Law and their business operations.

(2) The Central Bank shall publish notification referred to in paragraph (1) of this Article on the same day on which the decision on the opening of resolution proceedings is passed.

Manner of submitting notifications

Article 6

(1) Notifications referred to in Articles 2 and 4 of this Decision shall be delivered to the recipient in writing or using an appropriate secure electronic means.

(2) Before sending the notification referred to in Article 2 of this Decision to the Central Bank, the credit institution or legal person referred to in Article 3 paragraphs (2), (3), and (4) of the Law may orally establish a contact with the Central Bank for the purpose of informing it about the intention to submit the notification.

(3) When the Central Bank receives the notification from the competent supervisory authority of another country within the meaning of Article 4 of this Decision, it shall acknowledge receipt of the notification, stating the date and time of receipt, as well as contact details of the person for further communication regarding the submission of the notification.

(4) The Central Bank shall publish on its website data on contact persons referred to in paragraphs (2) and (3) of this Article.

Entry into force

Article 7

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 the date of application of the Law on Resolution of Credit Institutions (OGM 72/19).

THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO

Decision number, 0101-7151-3/2020

Podgorica, 1 December 2020

CHAIRMAN

G O V E R N O R,

Radoje Žugić, m.p.