

**DECISION**  
**ON AUTHENTICITY AND FITNESS CHECKING AND**  
**RECIRCULATION OF EURO BANKNOTES AND COINS**  
(OGM 35/11 of 21 July 2011, 61/18 of 14 September 2018, 122/21 of 24 November 2021)

**I. BASIC PROVISIONS**

**Article 1**

This Decision regulates the manner of authenticity and fitness checking of euro banknotes and coins, conditions and manner of recirculation of euro banknotes and the manner and procedure of replacement, withdrawal and destruction of unfit euro banknotes and coins.

**Article 2**

With a view to protecting the integrity of euro banknotes and coins, this Decision shall ensure the withdrawal from circulation of unfit euro banknotes and their replacement with new fit banknotes.

For the purpose of attaining objective referred to in paragraph 1 of this Article, authenticity and fitness checking of euro banknotes and coins shall be carried out in the manner set forth in this Decision.

**Article 3**

Authenticity and fitness checking of euro banknotes shall determine fit, unfit, suspected and counterfeit euro banknotes and coins.

Fit euro banknotes and coins, within the meaning of this Decision, are euro banknotes and coins that have been checked for authenticity and fitness and classified as genuine and fit for recirculation.

Unfit euro banknotes, within the meaning of this Decision, are damaged and worn-out euro banknotes and coins and original euro banknotes and coins with an error and as such went in circulation, assessed as unsuitable for recirculation after authenticity testing in accordance with this decision.

Suspect and counterfeit euro banknotes and coins shall be defined by a special regulation governing handling suspect euro banknotes and coins.

**Article 4**

Reporting entities with regard to the authenticity and fitness checking of euro banknotes and coins shall be credit institutions and financial institutions and other entities providing services of processing and disbursement of euro banknotes and coins, authorised bureaux de exchange and all other entities engaged in processing and distribution of euro notes and coins to public, including cash and transit companies and other entities that deal on secondary basis with processing and distribution of euro notes and coins to public through cash dispensers within such secondary activities (traders, casinos, and the like) - (hereinafter: cash handlers), as well as the Central Bank of Montenegro in pursuing payment system operations.

Financial institutions, within the meaning of paragraph 1 of this Decision, shall be legal persons providing financial services licensed and/or approved by the Central Bank for providing financial services.

Cash handlers, who entrust the processing, payment and disbursement of euro banknotes and coins by way of agreement to other legal person, shall ensure the implementation of this decision by legal person who has been entrusted with the service of processing, payment and disbursement of euro banknotes and coins.

#### **Article 4a**

Cash handlers shall establish procedures for complying with this Decision in their internal acts.

## **II. AUTHENTICITY AND FITNESS CHECKING AND RECIRCULATION OF EURO BANKNOTES**

#### **Article 5**

Cash handlers shall ensure that euro banknotes received and recirculated are subject to the procedure on authenticity and fitness checking.

The procedure on authenticity and fitness checking of euro banknotes is the confirmation that the euro banknotes are authentic and fit for circulation.

#### **Article 6**

The authenticity and fitness checking of euro banknotes shall be carried out either by:

- 1) a type of euro banknote handling machine successfully tested by the Central Bank, or
- 2) manually by a trained staff member of the cash handler.

The Central Bank shall determine a list of successfully tested euro banknote handling machines and publish it on its web site.

The list referred to paragraph 2 of this Decision shall include only successfully tested types of euro banknote handling machines listed on the ECB's website.

The Central Bank shall not be held liable if a successfully tested type of euro banknote handling machine is unable to classify and treat euro banknotes in the manner specified in this Decision.

After checking for authenticity, cash handlers shall submit suspect euro banknotes to the National Counterfeit Centre.

#### **Article 7**

Euro banknote handling machines successfully tested by the Central Bank shall be classified into the following two categories:

- 1) customer-operated machines, and
- 2) staff-operated machines.

General technical requirements for the machines referred to in paragraph 1 of this Article and their classification shall be enclosed in Annex I of Decision, which makes an integral part thereof.

Customer-operated machines and staff-operated machines may only be put into operation by cash handlers if they have been successfully tested by the Central Bank and listed on its web site.

The machines referred to in paragraph 3 of this Article shall be used only for the denominations and series of euro banknotes listed on the ECB's website for the corresponding machines, with the standard factory settings, including any updates thereof that have been successfully tested unless stricter settings are agreed between the Central Bank and the cash handler.

### **Article 8**

Euro banknotes checked by a customer-operated machine shall be classified and treated in accordance with Annex IIa of this Decision, which makes an integral part thereof.

Euro banknotes checked by a staff-operated machine shall be classified and treated in accordance with Annex IIb of this Decision, which makes an integral part thereof.

Euro banknotes that are not authenticated as genuine euro banknotes following classification carried out in accordance with Annex IIa or IIb of this Decision or following manual authenticity checking by a trained staff member of the cash handler shall be acted upon by cash handler in accordance with regulation governing handling suspect euro banknotes.

### **Article 9**

Manual authenticity and fitness checking of euro banknotes may be performed only by staff members of the cash handler who have attended organised training carried out by the Central Bank.

### **Article 10**

Manual fitness checking shall be carried out in accordance with the minimum standards laid down in Annex III of this Decision, which makes an integral part thereof.

Automated fitness checking shall be carried out by a successfully tested banknote handling machine according to the minimum standards which are published on the ECB's website and amended from time to time.

The Central Bank of Montenegro may lay down stricter standards for one or more denominations or series of euro banknotes if this is justified (for example by a deterioration in the quality of the euro banknotes in circulation), which shall be published on its website.

Unfit euro banknotes shall be handed over to the Central Bank.

### **Article 11**

Euro banknotes which have not been processed during the procedure of authenticity checking may not be recirculated, but they will be forwarded to cash handler or Central Bank for processing for the purpose of carrying out the procedure of authenticity checking.

### **Article 12**

Euro banknotes may only be recirculated via customer-operated machines or cash dispensers if they have been checked for authenticity and fitness by a type of banknote handling machine successfully tested and classified as genuine and fit.

The provisions of paragraph 1 of this Article shall not apply to euro banknotes that have been delivered directly to a cash handler by the Central Bank or by another cash handler that has already checked the euro banknotes for authenticity and fitness in this manner.

### **Article 13**

Euro banknotes which have been checked for authenticity and fitness by trained staff members of cash handler but not by a type of banknote handling machine may only be recirculated over the counter.

Notwithstanding paragraph 1 of this Article, recirculation of euro banknotes which fitness and authenticity was checked manually by trained staff members via customer-operated machines or cash dispensers shall be allowed in remote business units of the cash handler with very low level of cash operations.

The Central Bank shall determine the volume of euro banknotes to be recirculated in accordance with the provisions of paragraph 2 of this Article individually for each cash handler in the manner that does not exceed a maximum of 1% of the overall volume of euro banknotes which are distributed annually via customer-operated machines or cash dispensers by cash handler in its entire business network.

Where an exceptional event occurs as a result of which the euro banknotes supply is significantly impaired, cash handlers' trained staff members may, on a temporary basis, and subject to the relevant Central Bank's agreement that the event is exceptional, carry out manual authenticity and fitness checking of euro banknotes to be recirculated via customer-operated machines or cash dispensers.

#### **Article 14**

In order to monitor the compliance of cash handlers with this Decision and to oversee developments in the cash cycle, the Central Bank shall collect information from cash handlers, also by electronic means, before banknote handling machine is put into operation.

Cash handlers shall submit to the Central Bank, on semi-annual basis, information and data referred to in Annex IV of this Decision, which makes an integral part thereof.

#### **Article 15**

*Deleted. (Decision amending the Decision on authenticity and fitness checking and recirculation of Euro banknotes and coins, OGM 122/21)*

### **III. AUTHENTICITY AND FITNESS CHECKING AND RECIRCULATION OF EURO COINS**

#### **Article 16**

Cash handlers shall ensure that euro coins which they have received and which they intend to put back into circulation are subject to an authenticity and fitness checking procedure.

Authenticity and fitness checking of euro coins means the process of verifying that euro coins are authentic and fit for circulation.

#### **Article 17**

Authenticity and fitness checking of euro coins shall be performed by:

- 1) euro coin processing machines which have been successfully tested by the Central Bank; or
- 2) manually by cash handler's trained staff member.

The Central Bank shall determine the list of successfully tested euro coin processing machines and publish it at its web site.

The list referred to in paragraph 2 of this Article may only register euro coin processing machines registered by the European Commission - Directorate-General for Economic and Financial Affairs (DG ECFIN)/ European Technical and Scientific Centre (ETSC) as successfully tested euro coin processing machines.

The Central Bank shall not be held liable if a successfully tested type of coin-processing machine is unable to classify and treat euro coins in accordance specified in this Decision.

Manual authenticity and fitness checking of euro coins may be performed only by the staff members of the cash handler that have attended organised training carried out by the Central Bank.

#### **Article 18**

Euro coins, which fitness and authenticity are checked in the manner specified in Article 17 of this Article, shall be recirculated.

Following authenticity checking, all suspected counterfeit coins and euro coins shall be submitted to the National Counterfeit Centre.

The Central Bank shall collect fee for treating euro coins unfit for circulation in cases and in the amount specified by special regulation.

### **Article 19**

The Central Bank shall check submitted euro coins unfit for circulation as follows:

- the quantity declared shall be checked by weighing each bag or box;
- authenticity and visual appearance shall be checked on the basis of a sample of at least 10% of the submitted quantity.

In the event that anomalies following the checks referred to in paragraph 1 of this Article are identified, the entire bag or box shall be checked.

Where the acceptance or processing of euro coins constitutes a health risk for handlers or a submission fails to meet packaging and labelling standards, the Central Bank may refuse to accept such coins.

### **Article 20**

Cash handlers shall provide the Central Bank, on a six-month basis, with at least the information and data referred to in Annex IV of this Decision, as well as data on:

- the types and number of euro coin processing machines used;
- the location of each euro coin processing machine; and
- the volume of euro coins processed per euro coin processing machine, on a six-month basis and per denomination, for at least the three highest denominations.

### **Article 20a**

*Deleted. (Decision amending the Decision on authenticity and fitness checking and recirculation of Euro banknotes and coins, OGM 122/21)*

## **IV. MACHINE TESTING**

### **Article 21**

Cash handlers shall, prior to the use of euro banknote handling machines and euro coin processing machines, request the Central Bank to test them.

### **Article 22**

The procedure of testing euro banknote handling machines and euro coin processing machines by the Central Bank shall include, depending on the type of machine, verification of the manner of work of the machine during the control of quantity, authenticity and sorting of euro banknotes and coins.

The procedure of testing of euro banknote handling machines and euro coin processing machines shall be performed by the Central Bank using palette of counterfeits, authenticated, fit and unfit euro banknotes and coins which it has at its disposal.

### **Article 23**

The Central Bank shall carry out testing of euro banknote handling machines and euro coin processing machines based on the requests submitted by cash handler or authorised representative or distributor of such machines for the territory of Montenegro.

In addition to the request referred to in paragraph 1 of this Article, cash handler or authorised representative or distributor of machines shall submit all relevant data with regard to banknote handling machines or coin-processing machines.

The Central Bank shall keep confidential data obtained referred to in paragraph 2 of this Article

### **Article 24**

Upon the testing procedure carried out, the Central Bank shall issue a receipt on the executed testing of the euro banknote handling machine or euro coin processing machine, which shall be signed by persons that have executed the testing.

The Central Bank shall issue the receipt for successful execution of testing of the euro banknote handling machine or euro coin-processing machine for period of one year.

Upon the expiry of the deadline set forth in paragraph 2 of this Article, cash handlers shall supply the Central Bank with the request for retesting of the euro banknote handling machine or euro coin-processing machine, which shall be followed by the new receipt for successful execution of testing issued by the Central Bank.

The results of the successful testing of the euro banknote handling machine or euro coin-processing machine shall be in force for period that is shorter than that specified in paragraph 2 of this Article when it is determined that these machines cannot detect all known counterfeits of euro banknotes or euro coins within the specified period.

Banknote handling machine or coin-processing machines which have not been retested successfully may not be further used.

### **Article 25**

Upon each upgrade or update of hardware and/or software of the banknote handling machines or coin-processing machines which have been successfully tested, the producer or authorised representative shall provide the Central Bank with the request for retesting of the respective machines.

## **IVa TRAINING FOR MANUAL AUTHENTICITY AND FITNESS CHECKING OF EURO BANKNOTES AND COINS**

### **Article 25a**

Training of staff members for manual authenticity and fitness checking of euro banknotes and coins shall be performed with the cash handlers and other interested participants handling euro banknotes and coins for the purpose of preventing counterfeiting and tracing counterfeits and identifying fit and unfit euro banknotes and coins (hereinafter: the training).

### **Article 25b**

Training shall be organised and carried out in accordance with the training programme passed by the Central Bank.

Training for manual authenticity and fitness checking of euro banknotes shall be carried out by the Banknotes National Analysis Centre, while the training for manual authenticity and fitness checking of euro coins shall be carried out by the Coin National Analysis Centre.

The Central bank shall organise and carry out training in the Central Bank premises, and in exceptional cases, in the cash handler's premises, upon its request.

### **Article 25c**

The request for carrying out training shall be submitted to the Central Bank.

The request referred to in paragraph 1 of this Article shall be submitted by the cash handler for their staff members, and by other interested participants in person.

### **Article 25d**

The Central Bank shall issue a certificate of successful completion of the training for manual authenticity and fitness checking of euro banknotes and / or coins to the staff member of cash handler who attended the training.

The Central Bank shall issue the certificate referred to in paragraph 1 of this Article for a period of four years.

The cash handlers shall submit to the Central Bank a request, no later than one month before the deadline referred to in paragraph 2 of this Article, for retraining of staff members for manual authenticity and fitness checking of euro banknotes and / or coins.

Staff members of cash handlers to whom the Central Bank has issued a certificate referred to in paragraph 1 of this Article shall attend training in less than the period referred to in paragraph 2 of this Article, when the Central Bank organises new mandatory training for issuing new euro banknotes and coins, counterfeiting or in other cases where the organisation of this training is considered expedient in order to ensure a comprehensive and effective authenticity and fitness checking of euro banknotes and coins, and the Central Bank shall notify cash handlers thereof no later than 15 days before the training.

## **IVb. INSPECTION AND MEASURES**

### **Article 25e**

The Central Bank may carry out on-site inspections, including unannounced ones (hereinafter: the inspection), of the machines for handling euro banknotes and machines for processing euro coins at cash handlers' premises and/or their agents to monitor their banknote handling machines and coin processing machines, in particular the machines' capacity to check for authenticity and fitness and to trace suspect counterfeit euro banknotes and euro banknotes that are not clearly authenticated; verify the procedures referred to in Article 4a of this Decision and treatment of checked euro banknotes and coins, as well as to inspect the treatment of filling of cash dispensing machines, staff member's training, suspect and damaged euro banknotes and coins and reporting to the Central Bank in accordance with this Decision.

The Central Bank is authorised to take samples of processed euro banknotes and coins to check them at its own premises or at the premises of cash handler, if adequate conditions exist.

### **Article 25f**

The inspection over cash handlers is performed by employees of the Central Bank authorised by the Central Bank to perform these tasks (hereinafter: inspectors).

By way of derogation from paragraph 1 of this Article, the Central Bank may authorise persons who are not employed by the Central Bank to perform certain tasks in the process of inspection of cash handlers.

### **Article 25g**

The cash handler shall enable the inspector to carry out unhindered inspection, provide information and make available euro banknotes and coins, euro banknote handling machines and euro coin processing machines, procedures referred to in Article 4a of this Decision, as well as all other items and data required for the inspection.

The cash handler shall provide the inspector with the conditions necessary for uninterrupted work and identification of the factual situation and act upon the request of the inspector.

### **Article 25h**

An inspector shall make a report on inspection of the cash handler on-site (hereinafter: the report), which shall contain the current factual situation related to the subject of inspection.

Upon completion of the inspection, the inspector and the cash handler shall sign the report on inspection (hereinafter: the report).

If the cash handler refuses to sign the report, the inspector will state the reasons for his refusal.

One copy of the original report shall be handed over or delivered to the cash handler.

A report need not be made on the inspection during which the found irregularities were eliminated, and in that case the inspector shall make an official note.

#### **Article 25i**

By way of derogation from Article 25h paragraph 1 of this Decision, when due to the scope and complexity of the inspection or its nature and circumstances, it is not possible to make a report on site, the report is made in the official premises of the Central Bank, within eight working days.

In the case referred to in paragraph 1 of this Article, the Central Bank shall submit the report to the cash handler, who may submit to the Central Bank objections to the report, within five working days following the date of its receipt.

The Central Bank may directly verify the statements of the cash handler contained in the objections to the report and in that case the Central Bank shall make an amendment to the report, to which the cash handler may submit objections within five working days following the date of receipt of the amendments to the report.

The Central Bank shall, within five working days following the day of receipt of the objections to the report or receipt of the objections to the amendments to the report, review the received objections and inform the cash handler in writing about the acceptance or non-acceptance of the given objections.

#### **Article 25j**

As a part of an ongoing inspection process, the Central Bank shall maintain the communication with cash handlers, which is reflected in particular in issuing preventive warnings in order to ensure the operation of cash handlers in accordance with regulations.

#### **Article 26k**

When the Central Bank in the inspection process determines actions contrary to the provisions of this Decision, it may, depending on the impact of the identified irregularities on the cash handler's operations, impose the following measures:

- 1) written warning, and
- 2) decision on imposing measures to eliminate irregularities.

The Central Bank shall require, by imposing measures referred to in paragraph 1 of this Article, the cash handler to eliminate the identified irregularities within a certain period, and until the identified irregularities are eliminated, it may prohibit the cash handler return certain euro banknotes and coins into circulation.

If the action contrary to the provisions of this Decision is caused by a malfunction of the euro banknote handling machine or the euro coin processing machine, the Central Bank may delete that machine from the list referred to in Article 6 paragraph 2 or the list referred to in Article 17 paragraph 2 this Decision

## **V. REPLACEMENT OF UNFIT EURO BANKNOTES AND COINS**

#### **Article 26**

The Central Bank shall replace unfit euro banknotes when more than 50% of euro banknotes have been presented.



In the event when less than 50% of euro banknotes is presented, the Central Bank may replace unfit euro banknotes provided that the applicant proves that the missing parts have been destroyed and if the Central Bank replaces such banknotes with the correspondent foreign bank.

### **Article 27**

For the purpose of replacing euro banknotes in the manner specified under Article 26 of this Decision, the following is required:

- 1) the applicant provides an evidence of his identity and/or an evidence that he is authorised applicant;
- 2) where doubt exists as to the authenticity of the euro banknotes, the applicant shall provide origin of suspected euro banknotes together with an evidence on his identity;
- 3) where ink-stained, contaminated or impregnated genuine euro banknotes are presented, the applicant shall provide a written explanation as to the kind of stain, contamination or impregnation;
- 4) where the genuine euro banknotes have been damaged by anti-theft devices, the applicant shall provide a written statement on the cause of neutralisation;
- 5) where the genuine euro banknotes have been damaged by anti-theft devices in connection with an attempted or actual criminal activity, the banknotes shall be exchanged only at the request of the owner or otherwise authorised applicant who is the victim of the attempted or actual criminal activity leading to the damage to the banknotes. In the latter case, the documentation of validly terminated proceedings before the competent authorities should be submitted together with the request;
- 6) if euro banknotes have been damaged by anti-theft devices and presented by credit institutions, other entities providing services of processing and disbursement of euro banknotes and euro coins as their main activity, including entities performing transport and security of transport of euro banknotes (hereinafter: professional cash handlers) shall provide together with the request, a written statement on the cause of neutralisation, labels and technical specifications of the anti-theft devices to a person presenting damaged euro banknotes and the date of their presentation;
- 7) when euro banknotes have been damaged in bulk due to the activation of anti-theft devices, they must be presented in sets of 100-euro banknotes, if they meet such requirement;
- 8) where professional cash handlers present for the exchange, in one or more transactions, damaged genuine euro banknotes with a value of at least EUR 7,500.00 the documentation on the origin of the banknotes and identification of the customer or, where applicable, of the beneficial owner as defined in regulations governing prevention of money laundering, shall be provided by those cash handlers. This obligation shall also apply in the event of doubt regarding whether the threshold value of EUR 7,500.00 is reached.

The Central Bank may verify the fulfilment of the requirements referred to in paragraph 1 of this Article also in cooperation with other competent authorities or other persons within and outside Montenegro.

### **Article 28**

The Central Bank shall replace unfit euro coins which changed some of its features due to circulation, worn out, rust or physical impacts, and which can be determined with certainty that is genuine euro coin.

### **Article 29**

The Central Bank shall bear replacement costs of unfit euro banknotes and coins.

Exceptionally, the Central Bank shall collect fee for the replacement of unfit euro banknotes and coins in cases of:

- replacement of unfit euro banknotes by professional cash handlers if euro banknotes have been damaged by the incorrect use of anti-theft devices;
- treatment and replacement of unfit euro coins provided that more than one kilogram of unfit euro coins has been treated by denomination for each year, whereby the fee may increase if

individual delivery of unfit euro coins contains euro coins treated by chemical or other harmful substances to the extent they can cause health risk, and that legal and natural persons cooperating closely or regularly with the Central Bank on the withdrawal from circulation of unfit and counterfeit euro coins may be exempted from paying the fee.

The Central Bank shall determine the amount of fee referred to in paragraph 2 of this Article by way of special regulation.

### **Article 30**

When the Central Bank determines that damaged euro banknotes and coins cannot be replaced regularly after their checking, but their checking requires activities outside normal procedures and special costs, it shall inform the client thereof.

If it agrees, the client shall give written statement accepting the application of extraordinary procedures and replacement costs of euro banknotes and coins.

If the client does not agree with the application of the extraordinary procedures, the Central Bank shall keep euro banknotes and coins referred to in paragraph 1 of this Article.

### **Article 31**

The Central Bank shall not replace unfit euro banknotes and coins in the events where:

- 1) doubt exists in the authenticity of euro banknotes or euro coins;
- 2) doubt exists that euro banknotes and euro coins originate from the criminal activity;
- 3) euro banknotes are presented for exchange where doubt exists that they have been damaged when anti-theft device is activated, and the requirements under Article 27 items 5) and 6) of this Decision have not been met;
- 4) Euro banknotes and euro coins have been intentionally damaged (e.g., punctured coins) or they have been damaged with unwary intentions, and where an important loss in weight of euro coins exists, whereas euro banknotes with smaller damage (e.g., with notes, numbers or short sentences), as a rule, are not deemed intentionally damaged;
- 5) sufficient reason to believe exists that the damaged genuine euro banknotes are ink-stained such that they pose a risk to health and safety, only in the event the applicant can provide a health and safety assessment by the competent authorities;
- 6) several euro banknotes have the same or very similar damages presented for replacement by one or several applicants;
- 7) applicant cannot prove identity, beneficial ownership or origin of money, whose replacements is required in accordance with Article 27 of this Decision;
- 8) large bulk of euro banknotes and euro coins exists where doubt exists that are exported outside Montenegro;
- 9) a large bulk of euro coins exist which cannot be processed at the euro coin processing machines, which is damaged, has error or is unrecognisable.

In the events referred to in paragraph 1 of this Article, the Central Bank shall keep unfit euro banknotes and coins as evidence with the statement of receipt and it shall submit it to competent authorities for further procedure, whereas those euro banknotes and coins may be replaced if competent authorities determine that the doubt was ungrounded.

### **Article 32**

*Deleted. (Decision amending the Decision on authenticity and fitness checking and recirculation of euro banknotes and coins, OGM 61/18)*

## **VI. WITHDRAWAL AND DESTRUCTION OF UNFIT EURO BANKNOTES AND COINS**

### **Article 33**

The Central Bank shall withdraw from circulation euro banknotes and coins unfit for circulation. Unfit euro banknotes and coins shall not be put back into circulation but they must be destroyed.

The destruction of unfit euro banknotes and coins, within the meaning of this Decision, shall be the return of such euro banknotes and coins to foreign correspondent banks.

## **VII. HANDLING OF SUSPECT EURO BANKNOTES AND COINS**

### **Article 34**

Euro banknotes and coins which have not been verified as genuine during authenticity and fitness checking in accordance with the provisions of this Decision, shall be deemed suspect euro banknotes and coins.

Cash handlers shall immediately withdraw suspect euro banknotes and coins from circulation and submit them to the National Counterfeit Centre.

Suspect euro banknotes and coins shall be handled in accordance with the regulations governing handling suspect euro banknotes and coins.

## **VIII. TRANSITIONAL AND FINAL PROVISIONS**

### **Article 35**

The provisions of Articles 5 through 25 of this Decision shall apply from 1 January 2013.

Until the application of the provisions of Articles 5 through 25 of this Decision, fitness and authenticity checking of euro banknotes and coins shall be made as follows:

1) Euro banknotes checking shall be made:

- by machines that can recognise security characteristics contained by euro banknotes;
- by feeling the “raised” print for the purpose of determining the quality of paper and its embossing (in the part of the signs of the European Central Bank, central motive and numerical sign in the left lower corner of front and reverse side of euro note);
- by looking at the watermark, the security thread and the see-through register – matching detail;
- by tilting the banknote: on the front of the banknote to check the hologram foil stripe (on the banknotes of 5, 10 and 20 euros) or the brilliance of the iridescent stripe on the reverse side;
- by tilting the banknote: on the front of the banknote to check the hologram foil patch (on the banknotes of 50, 100, 200 and 500 euros) or the colour-shifting ink on the reverse side;
- by checking several protection characteristics (e.g., positive and negative micro print, ruptures on hologram foil or hologram, brilliance of iridescent stripes and colours on UV lights);
- by applying accordingly minimum standards for manual authenticity checking of euro banknotes as set forth in Annex IIIb of this Decision;

2) Euro coins checking shall be made:

- by machines that can recognise security characteristics contained by euro coins;
- by visual control of relief design, sharpness of contrast on euro coins, margins and precision of its processing, colour and biasing, if cash handler does not have machine referred to in indent 1 of this item.

### **Article 36**

Cash handlers shall bring their operations into compliance with the provisions of Articles 5 to 20 of this Decision until 31 December 2012.

For the purpose of bringing their operations into compliance with the provisions of Articles 5 to 20 of this Decision, cash handlers shall pass Business Plan for the implementation of the Decision on fitness and authenticity checking and recirculation of euro banknotes and coins (hereinafter: the Business Plan) and submit it to the Central Bank no later than within six months following the day this Decision enters into force.

### **Article 37**

A business plan shall include in particular the following:

- 1) list of business units handling cash;
- 2) volume of euro banknotes and coins processing anticipated for recirculation to clients during one year period by business units, in accordance with this decision;
- 3) organisation of the processing of anticipated volume of euro banknotes and coins and passing of procedures for processing, in accordance with this decision;
- 4) current condition of number and types of banknote handling machines and coin-processing machines installed and the distribution of the machines installed by locations;
- 5) plan and dynamics of procurement and instalment of machines by locations in preparation period;
- 6) overall planned capacity of all banknote handling machines and coin-processing machines installed after expiry of preparatory period (the capacity of machines installed increased by the capacity of machines planned to be installed by end of preparatory period), broken down by each type of machine;
- 7) list of business units where, exceptionally, manual fitness and authenticity checking will be performed in accordance with the conditions specified hereof and anticipated amount of small transactions per day.

If the Central bank establishes that the submitted business plan does not contain all data referred to in paragraph 1 of this Article, or if data are not compliant with this decision, cash handler shall, upon Central Bank's request, make additional elaboration of the submitted data.

Cash handler shall inform the Central Bank in writing every three months on the realisation of the business plan.

The Central Bank shall keep confidential data obtained under this Article.

### **Article 38**

In period from the day this Decision enters into force until deadline specified in Article 35 paragraph 1 of this Decision, cash handlers shall apply this decision to the extent possible in accordance with the dynamics of the implementation of this decision presented in the business plan.

### **Article 38a**

Cash handlers shall adopt internal acts referred to in Article 4a of this Decision within six months following the date of entry into force of this Decision.

### **Article 38b**

Until the adoption of the programme referred to in Article 25b paragraph 1 of this Law, the Central Bank shall carry out training as it has been carried out until the date of entry into force of this Decision.

### **Article 38c**

Cash handlers shall, for staff members who have undergone training for manual authenticity and fitness checking of euro banknotes and coins in period of at least four years prior to the entry into force of

this Decision, submit a request for retraining within one year following the date of entry into force of this Decision.

**Article 39**

The Decision on replacement of damaged banknotes and coins (OGRM 44/03) shall be repealed as of the day of entry into force of this Decision.

**Article 40**

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**