

UNOFFICIAL CONSOLIDATED VERSION

**THE CENTRAL BANK OF MONTENEGRO
STATUTE
(OGM 83/17 of 11 December 2017, 3/20 of 23 January 2020, 129/22 of 25 November
2022)**

I. BASIC PROVISIONS

Article 1

The Central Bank of Montenegro (hereinafter: the Central Bank) is an independent organisation exercising the functions specified under the Constitution of Montenegro, the Central Bank of Montenegro Law (OGM 40/10, 46/10, 6/13, 70/17) (hereinafter: the Law) and other legislation.

The Central Bank shall be independent in exercising its objectives and functions.

Article 2

The Central Bank's registered office shall be in Podgorica, Bulevar Svetog Petra Cetinjskog 6.

Article 3

The Central Bank shall be a legal person with rights, obligations and responsibilities provided by the law and this Statute.

Article 4

The Central Bank shall have the seal and the stamp.

The Central Bank's seal shall be round, contain the Montenegrin coat of arms, and bear the title "Crna Gora" and the Central Bank's name and registered office.

The text of the Central Bank's seal shall be written in concentric circles around the Montenegrin coat of arms in the Montenegrin language.

The diameter of the Central Bank's seal shall be 32 millimetres, and the seal shall be made of rubber or other appropriate material.

The Central Bank may have a smaller seal the diameter of which may neither be smaller than 20 millimetres nor bigger than 28 millimetres if its use is more convenient.

The content of the seal referred to in paragraph 5 above shall be identical to and written in the same manner as the one described in paragraph 2 above.

The Central Bank may have many copies of the seal of the same size, and each copy shall contain the ordinal number.

The Central Bank may have one dry imprint seal.

The Central Bank may have the electronic seal, in accordance with the law.

The Central Bank's rectangular stamp shall bear the Central Bank's name and the registered office.

The manner of use, handling, keeping and the number of seals and stamps shall be regulated in more detail in an act to be passed by the Governor of the Central Bank (hereinafter: the Governor).

Article 5

The Central Bank shall have its logo. The manner of the logo's use, appearance and content shall be regulated in an act to be passed by the Governor.

II. REPRESENTATION, ACTING ON BEHALF OF, AND SIGNING

Article 6

The Central Bank shall be represented by the Governor.

The Governor may authorise a Vice-Governor, a person with special powers and responsibilities, and another person employed in the Central Bank to conclude a legal transaction and take legal action in the name and for the account of the Central Bank.

The authorisation under paragraph 2 above shall be in writing. It shall specify the scope, content, and validity and may also be given as a letter of proxy.

The Governor may also authorise persons who are not the Central Bank employees to act for the Central Bank with regard to protecting its property and other interests in the country and abroad.

The authorisation under paragraph 4 above shall be provided in writing as a letter of proxy that may be general or specific and limited or unlimited.

Article 7

The Governor shall act on the Central Bank's behalf in the country and abroad.

The Vice-Governor may also act on behalf of the Central Bank in the country and abroad, in accordance with the Governor's authorisation.

In a written authorisation, the Governor may designate a person with special powers and responsibilities and/or another Central Bank employee to act on the Central Bank's behalf in some instances in the country and abroad.

Article 8

Regulations and other acts of the Central Bank Council (hereinafter: the Council) shall be signed by the Governor acting as the Chairman of the Council, and in case the Governor is unable to attend, by the member of the Council who chaired the relevant meeting.

Other acts and documents of the Central Bank shall be signed by the Governor.

As an exception to paragraph 2 above, the Central Bank's acts and documents may be signed by the Vice-Governor and other Central Bank employees, within the authorisations and in the manner specified in a separate decision to be passed by the Governor.

The Central Bank employees may be authorised to sign or co-sign the Central Bank's acts and documents.

Separate records shall be kept on the right to signature and granted authorisations.

A signature stamp may be used instead of the original signature when signing.

The manner of use, handling, keeping and number of signature stamps shall be regulated in more detail in an act to be passed by the Governor.

III. CENTRAL BANK GOVERNANCE

Article 9

The Council shall govern the Central Bank in accordance with the Law and this Statute.

Article 10

The Council shall define the Central Bank's policy for the following year by 30 November of the current year.

The Council shall communicate their opinion to the Government concerning debt management, in accordance with the law regulating the budget of Montenegro and fiscal responsibility.

The Council shall appoint one member of the Managing Board of the Deposit Protection Fund in accordance with the law governing deposit protection.

Article 11

The Council shall determine all necessary measures for the exercising of the Central Bank functions specified in the laws, and in particular:

- monetary policy measures;
- measures to maintain the financial stability system as a whole;
- protective measures in accordance with the law governing foreign current and capital operations.

Article 12

The Council may delegate specific tasks from its competence to the Governor by way of a special decision.

The Governor shall be accountable to the Council for the lawful, professional and timely execution of delegated tasks.

Article 13

The Council shall decide on tasks within its competence in accordance with the Law and the Rules of Procedure.

The Governor shall propose to the Council policies, regulations, acts, and documents to be passed while exercising the Council's competence.

The Council members may propose passing the acts and documents referred to in paragraph 2 above.

IV. MANAGING OF THE CENTRAL BANK

Article 14

The Central Bank shall be managed by the Governor in accordance with the Law and this Statute.

Article 15

The Governor shall ensure the implementation of the Central Bank policy and the Council decisions and pass instructions for the uniform implementation of regulations passed by the Council.

The Governor shall pass acts within his/her competence.

The Governor may seek an opinion from the Council on issues within his competence when deemed necessary.

Article 16

The Governor shall pass, no later than by 31 December of the current year, the Work Programme for the following year defining the activities for implementing the Central Bank policy.

Article 17

If the law or other regulation determines that the Central Bank decides on an issue not regulated in the Law or herein, the Council or the Governor shall decide on such an issue following the principles governing the division of their competence, as assessed by the Council.

Article 18

By way of a special decision, the Governor shall designate the Vice-Governor who shall replace the Governor during his absence.

Article 19

The Governor may delegate, by way of a special decision, some of the managerial tasks within his competence to a Vice-Governor.

The Vice-Governor shall be accountable to the Governor for the lawful, professional and timely execution of the delegated tasks.

Article 20

The Governor, the Vice-Governors, the Chief Internal Auditor, the Chief Economist, the Executive Director, the Chief of Governor's Office, the Governor's advisers, and managers of core organisational units directly responsible to the Governor shall comprise the Collegium of the Governor (hereinafter: the Collegium).

The Collegium meetings may be attended by other persons employed in the Central Bank upon invitation.

The Collegium meetings are convened by the Governor.

Article 21

The Governor may establish standing and temporary expert and advisory working bodies (committees, working groups, boards and the like) and pass acts to regulate their work.

V. ORGANISATION OF CENTRAL BANK OPERATIONS

Article 22

Tasks and duties performed by the Central Bank employees shall be classified by their nature, significance, complexity and responsibility.

The Governor shall pass the general act on job classification scheme to specify job titles, job descriptions, the number of employees and special requirements for performing specific tasks.

Article 23

Organisational units shall mutually cooperate, harmonise their operations and act uniformly in performing operations within the Central Bank's authority.

Article 24

Tasks and duties performed by the Central Bank employees shall be classified by their nature, significance, complexity and responsibility.

The Governor shall pass the general act on job classification scheme to specify job titles, job descriptions, the number of employees and special requirements for performing certain tasks.

VI. PERSONS WITH SPECIAL POWERS AND RESPONSIBILITIES

Article 25

Persons with special powers and responsibilities shall be the following:

- 1) Chief Internal Auditor;
- 2) Chief Economist;
- 3) Executive Director;
- 4) Secretary of the Council;
- 5) Head of the Governor's Office;
- 6) Advisers to the Governor;
- 7) Directors of Sectors and
- 8) Directors of Directorates.

Persons with special powers and responsibilities are appointed and relieved of duty by the Governor, except persons who are appointed and relieved of duty in a different manner pursuant to the Law and this Statute.

After being relieved of their duty, persons from paragraph 1 above shall be reassigned to perform tasks and responsibilities in the Central Bank that correspond to their professional qualifications and working experience. If the person from paragraph 1 above

fails to be reassigned, his/her employment shall terminate, with the right to severance pay amounting to twelve (12) of the person's gross wages paid in the month preceding the month when the employment terminated.

The right to persons with special powers and responsibilities referred to in paragraph 3 above shall be regulated in the employment contract.

Article 26

The Chief Internal Auditor shall manage the internal audit, which performs the tasks in accordance with the Law and the general act regulating internal audit.

The Chief Internal Auditor shall be appointed by the Governor, with the consent of the Council, and shall be relieved from duty for reasons for relieving from duty of a Council Member determined by the Law.

Article 26a

The Central Bank shall have a Chief Economist who shall take care of collecting and analysing data for macroeconomic and financial research and forecasts. He/she shall propose recommendations to the Government of Montenegro concerning economic policy, make proposals related to the Central Bank's policy, and advise the Governor and the Council of the Central Bank of macroeconomic and monetary issues within the Central Bank's competence. He/she shall also participate in preparing the report on the Central Bank's work and perform other tasks determined by the Governor in a special decision.

The Governor shall appoint the Chief Economist among distinguished economists with experience in macroeconomic and financial research and forecasts.

The Chief Economist shall attend the Council meetings.

The Chief Economist shall be responsible for his/her work to the Governor.

Article 27

The Executive Director shall organise and coordinate the execution of tasks delegated by the Governor by a special decision.

For the lawful, professional and timely execution of the established tasks, the Executive Director shall be accountable to the Governor.

Article 28

The Secretary of the Council shall perform the tasks established by the Rules of Procedure of the Council and the employment contract.

The Secretary of the Council shall be appointed and relieved of duty by the Governor upon the previously obtained opinion from the Council.

In case of his/her absence or prevention to attend, the Secretary of the Council shall be replaced by the person appointed by the Governor.

The Secretary of the Council shall be accountable for his/her work to the Council and the Governor.

VII. RIGHTS AND OBLIGATIONS OF EMPLOYEES

Article 29

The Governor's and the Vice-Governors' labour rights and obligations shall be regulated by the employment contract pursuant to the Law, general labour regulations, this Statute, and the acts of the Council.

Article 30

Unless otherwise prescribed by the Law, general labour regulations and the Central Bank Collective Agreement (hereinafter: the Collective Agreement) shall apply to the rights and obligations of the Central Bank employees.

The Governor or the person authorised by the Governor shall sign the Collective Agreement in the name of the Central Bank as the employer.

The Governor or the person authorised by the Governor shall decide on the labour rights and obligations of the employees.

Article 31

The Central Bank employees shall perform tasks and duties related to the job they have been assigned in the Central Bank and act pursuant to the law and other regulations, general acts and orders issued by the Governor and other superiors.

Employees are entitled to earnings that are determined in accordance with the Collective Agreement and employment contract.

Article 32

The employees shall have the right and obligation to professional training and education to ensure better quality and more efficient performance of their tasks and duties.

The Central Bank shall enable its employees the professional training and education when that is to be required by the working process and the introduction of a new work method and organisation.

Professional training and education of employees may be regulated in more detail in a general act.

Article 33

In performing their tasks, the employees shall be obliged to act in a way to ensure: the meeting of the highest standards in business behaviour and political neutrality, dedication to work and loyalty, avoiding conflict of interest, prevention of any damage to the Central Bank's reputation, data protection and compliance with the confidentiality obligation, and prohibition of disclosing confidential information.

The rules of employees' behaviour shall be regulated in more detail in the Code of Ethics to be passed by the Governor.

VIII. REGULATORY ACTIVITIES OF THE CENTRAL BANK

Article 34

The Central Bank shall pass regulations, general acts and individual binding acts.

Article 35

The regulations passed by the Council shall be in the form of decisions.

The Governor shall pass the instructions for the uniform implementation of decisions under paragraph 1 above.

The instructions referred to in paragraph 2 above shall be delivered to the internal organisational unit to which they refer or they may be published by being posted on the notification board and/or the Intranet if they refer to all or several internal organisational units.

The Council and the Governor shall make individual binding acts in the form of a decision or conclusion.

Article 36

The Council shall, upon the proposal of the Governor, pass draft laws governing the attainment of objectives and the exercising of the Central Bank functions.

The Council shall, upon the proposal of the Governor, discuss and bring the opinion on draft laws submitted to Central Bank by the Government or authorised government body that relate to the financial system and impact the attainment of objectives and the exercising of the Central Bank functions.

Notwithstanding paragraph 2 of this Article, when assessed appropriately and urgently, with the consent of the Council, the Governor may give an opinion on drafts and/or law proposals.

Article 37

The Governor shall pass the Rules of Procedure, instructions, decisions and other general acts governing internal operations of the Central Bank, which have to be in line with the Law and this Statute.

General acts under paragraph 1 above shall be posted on the notification board and/or the Intranet.

Article 38

The Governor shall pass general acts under Article 37 herein on his own initiative.

The general acts referred to in Article 37 herein may be adopted by the Governor at the initiative of a Council member and/or a person with special powers and responsibilities.

The initiative under paragraph 2 above shall be put forward to the Governor in the form of a written statement, supplemented by an explanatory memorandum.

If the Governor approves the initiative under paragraph 2 of this Article, he/she shall initiate the procedure of passing a general act.

The procedure of passing a general act shall be initiated by designating an internal organisational unit or establishing a working body or team to draft a general act's proposal.

Article 39

Within its competencies, the Council shall determine the strategies for the Central Bank's operations.

The Governor may determine general guidelines for the Central Bank's operations.

The Governor shall determine procedures for the Central Bank organisational units' operations.

Article 40

The Governor's Office shall perform the final legal and technical editing of proposals of regulations and general acts within the Council's competence.

IX. INCOME AND EXPENSES

Article 41

Pursuant to the Law, the Central Bank's annual financial plan shall project income and expenses for that financial year.

An investment plans and cash flow plan shall be prepared in addition to the plan from paragraph 1 above.

Article 42

In case the financial plan for the following year fails to be finalised by 31 December of the current year, the Central Bank financing shall be performed as per the previous year's plan, with no more than up to 1/12 of the monthly income and expenses established in that financial plan.

X. TRANSPARENCY AND PUBLIC AWARENESS

Article 43

The Central Bank shall inform the public of its activities by issuing statements, releasing timely information, publishing reports, issuing official publications, holding press conferences, and the like.

The Council shall inform the public of its decisions in a manner provided by the Law and the Rules of Procedures.

Article 44

Data and information on the Central Bank's activities shall be provided by the Governor, and they may be given by the Vice-Governor or other employees when approved by the Governor.

Persons under paragraph 1 above shall withhold data and information if they represent secret or if the communication of such data and information would be detrimental to the Central Bank's interest.

Article 45

The Central Bank may issue the Central Bank bulletin and other special publications or information journals to ensure greater public awareness.

The Governor or a person authorised by the Governor shall determine the design of publications or information journals and the conditions for their publishing.

Article 46

The Central Bank shall have its website.

The Governor shall approve the website's content and appearance and the manner of the presentation of data and information.

The Central Bank shall have the Intranet to communicate relevant information to its employees.

XI. INFORMATION AND DATA CONFIDENTIALITY

Article 47

Information and data which disclosure could be a detriment to the attainment of objectives and the exercising of the Central Bank functions or that could harm the reputation of the Central Bank shall be considered confidential.

A general act shall regulate in more detail the data, information and documents deemed confidential, the manner of handling such data, information and documents, the measures for their protection, and the procedure to follow in case of their disappearance or disclosure.

The Council shall pass general act under paragraph 2 above.

Article 48

The Council members and the Central Bank employees are bound to secrecy pursuant to the Law and the general act under Article 47 paragraph 2 herein, regardless of how they have learned about it.

XII. AMENDMENTS TO THE STATUTE

Article 49

The Governor shall propose amendments to the Statute.

A Council member may also initiate amendments to this Statute.

The Council shall decide on amendments to this Statute in line with the prescribed procedure for adopting the Statute.

XIII. TRANSITIONAL AND FINAL PROVISIONS

Article 50

General acts passed pursuant to the Central Bank of Montenegro Law (OGM 40/10, 46/10, 6/13, 70/17) and the Central Bank of Montenegro Statute (OGM 66/10, 24/13) shall be harmonised with provisions of the Law and this Statute within the timeframe prescribed by the Law.

Article 51

The Statute of the Central Bank of Montenegro (OGM 66/10, 24/13) shall be repealed on the day of entry into force of this Statute.

Article 52

This Statute shall come into force on the eighth day following that of its publication in the "Official Gazette of Montenegro".

COUNCIL OF THE CENTRAL BANK OF MONTENEGRO