

UNOFFICIAL CONSOLIDATED VERSION

**THE CENTRAL BANK OF MONTENEGRO
STATUTE
(OGM 83/17 of 11 December 2017, and 3/20 of 23 January 2020)**

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

The text of the Central Bank's seal shall be written in concentric circles around the Montenegrin coat of arms, in 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 rectangular stamp of the Central Bank shall bear the name and the registered office of the Central Bank.

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 use, appearance and content of the logo 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 a legal action in the name and for the account of the Central Bank.

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

The Governor may also authorise persons who are not employees of the Central Bank 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 behalf of the Central Bank 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.

The Governor may, in a written authorisation, designate a person with special powers and responsibilities and/or another employee of the Central Bank to act on behalf of the Central Bank in certain cases 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, acts and documents of the Central Bank may be signed by the Vice-Governor and other employees of the Central Bank, within the authorisations and in the manner specified in a separate decision to be passed by the Governor.

Employees of the Central Bank may be authorised to sign or co-sign acts and documents of the Central Bank.

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

When signing, a signature stamp may be used instead of the original signature.

The manner of use, handling, keeping and the 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 Central Bank shall be governed by the Council in accordance with the Law and this Statute.

Article 10

The Council shall define the Central Bank's policy for the following year no later than by 30 November of the current year.

The Council shall communicate their opinion to the Government with regard to the 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 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, by way of a special decision, certain tasks from its competence to the Governor.

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 competences of the Council.

The members of the Council may propose passing of 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, when deemed necessary, seek an opinion from the Council on issues within his competence.

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 the implementation of the Central Bank policy.

Article 17

If the law or other regulation determines that the Central Bank is to decide on an issue that is not regulated in the Law or this Statute, the Council or the Governor shall decide on such an issue in accordance with the principles governing the division of their competences, as shall be assessed by the Council.

Article 18

The Governor shall designate, by way of a special decision, 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 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

The performance of operations, within the Central Bank authority, shall be organised so as to ensure the uniformity, integrity, efficiency and rationality of operations.

The Governor shall pass the general act on internal organisation of the Central Bank, which shall determine in more detail the organisational structure of the Central Bank, and names and scope of work of individual organisational units.

Article 23

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

Article 24

Tasks and duties performed by the employees of the Central Bank 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) Executive Director;
- 3) Secretary of the Council;
- 4) Head of the Governor's Office;
- 5) Advisers to the Governor;
- 6) Directors of Sectors and
- 7) 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 duties in the Central Bank that correspond to their professional qualifications and working experience. If the person from paragraph 1 of this Article fails to be reassigned, his/her employment shall terminate, with the right to severance pay amounting to twelve (12) 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 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 responsible 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 to be designated by the Governor.

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

General labour regulations, unless otherwise prescribed by the Law, 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 to in the Central Bank and they shall 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 with view to ensuring 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 of the conflict of interest, prevention of any damage to the reputation of the Central Bank, data protection and compliance with the confidentiality obligation, and prohibition of disclosing confidential information.

The rules of behaviour of employees 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 binding individual 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 binding individual 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 and which 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 as appropriate and in case of urgency, with the consent of the Council, opinion on drafts and/or draft laws may be given by the Governor.

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 of this Statute on his own initiative.

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

The initiative under paragraph 2 above shall be put forward to the Governor in a 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 proposal of the general act.

Article 39

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

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

The Governor shall determine procedures for the operation of organisational units in the Central Bank.

Article 40

The final legal and technical editing of proposals of regulations and general acts within the competences of the Council shall be performed in the Governor's Office.

IX. INCOME AND EXPENSES

Article 41

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

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, no more than up to 1/12 of monthly income and expenses established in that financial plan.

X. TRANSPARENCY AND PUBLIC AWARENESS

Article 43

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

Article 44

Data and information on activities of the Central Bank shall be provided by the Governor, and they may be given by the Vice-Governor or other employees when given approval from 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 interest.

Article 45

With a view to ensuring greater public awareness, the Central Bank may issue the Central Bank bulletin and other special publications or information journals.

Design of publications or information journals and conditions for their publishing shall be determined by the Governor or a person to be authorised by the Governor.

Article 46

The Central Bank shall have its website.

The content and appearance of the website and the manner of the presentation of data and information shall be approved by the Governor.

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 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 be following in case of their disappearance or disclosure.

The general act under paragraph 2 of this Article shall be passed by the Council.

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 of this Statute, regardless of the manner they have learned about it.

XII. AMENDMENTS TO THE STATUTE

Article 49

The Governor shall propose amendments to the Statute.

A member of the Council may also initiate amendments to this Statute.

The Council shall decide on amendments to this Statute in line with the prescribed procedure for the adoption of 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 Statute of the Central Bank of Montenegro (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