

**Twinning Project Funded by
the European Union**

**Twinning projekat koji finansira
Evropska unija**

**STRENGTHENING THE
REGULATORY AND
SUPERVISORY CAPACITY OF
THE FINANCIAL REGULATORS**

**JAČANJE REGULATORNIH I
SUPERVIZORSKIH
KAPACITETA FINANSIJSKIH
REGULATORA**

between

između

the Bulgarian National Bank,
De Nederlandsche Bank,
the Bulgarian Financial Supervision
Commission

Bugarske Narodne Banke,
Centralne banke Holandije,
Bugarske Komisije za finansijsku
kontrolu

and

i

the Ministry of Finance,
the Central Bank of Montenegro,
the Securities and Exchange
Commission,
the Insurance and Supervision Agency

Ministarstva finansija
Centralne banke Crne Gore,
Komisije za hartije
od vrijednosti,
Agencije za nadzor osiguranja



General Information

Opšte informacije

Project Purpose

Improve efficiency and effectiveness of the institutional and regulatory capacities of the financial sector regulators to supervise financial market and institutions in line with EU *acquis*.

European Union Member State Partners

Bulgarian National Bank – *Lead partner*

De Nederlandsche Bank – *Junior partner*

Bulgarian Financial Supervision Commission – *Junior partner*

Beneficiary Institutions of Montenegro

Ministry of Finance

Central Bank of Montenegro

Securities and Exchange Commission

Insurance Supervision Agency

Duration

24 months

Total EU financing

EUR 1,199,966.94

Svrha projekta

Poboljšanje efikasnosti i efektivnosti institucionalnih i regulatornih kapaciteta regulatora finansijskog sektora u superviziji finansijskog tržišta i institucija u skladu sa pravnim tekovinama EU.

Države članice partneri

Bugarska narodna banka – *Glavni partner*

Banka Holandije – *Prateći partner*

Bugarska Komisija za finansijsku superviziju – *Prateći partner*

Institucije korisnici Crne Gore

Ministarstva finansija

Centralna banka Crne Gore

Komisija za hartije od vrijednosti

Agencija za nadzor osiguranja

Trajanje

24 mjeseci

Ukupna EU sredstva za finansiranje

1.199.966,94 EUR



Results in Brief

All **59** planned activities were implemented by **85** highly professional EU member state experts from the Bulgarian National Bank, De Nederlandsche Bank and the Bulgarian Financial Supervision Commission who worked out **744** man-days in **121** missions to Montenegro. More than **250** local experts were involved in the project both from the direct beneficiary institutions and from the banking and non-banking sectors, from other public authorities, and non-government sector. As a result of all this intensive and massive work all the planned **119** benchmarks were achieved which led to strengthening of the financial supervision regulatory framework and the financial regulators' capacity and to a great advancement in the harmonisation of the Montenegrin legislation with the EU *acquis communautaire* in the financial sector. The **8** new laws and more than **10** new regulations transpose the **15** core EU directives that form the backbone of the financial regulation in the EU. Taking into consideration the important role of the financial sector, not only has the country advanced rapidly towards EU integration, but it has also acquired a new legal framework that will better serve the goal of stability and development of the financial services sector and protection of consumers. The project team prepared the legal framework, but

Postignuti rezultati u kratkim crtama

Svih **59** planiranih aktivnosti sprovedene su od strane **85** visoko stručnih eksperata iz država članica EU iz Bugarske narodne banke, Banke Holandije i bugarske Komisije za finansijsku superviziju koji su radili **744** dana/po čoveku u **121** misiji u Crnoj Gori. Više od **250** lokalnih eksperata bilo je uključeno u projekat, i direktno iz institucija korisnika i iz bankarskog i nebankarskog sektora, drugih državnih organa i nevladinog sektora. Rezultat ovog intenzivnog i obimnog rada je postizanje svih planiranih **119** referentnih mjerila, što je rezultiralo jačanjem regulatornog okvira finansijske supervizije i kapaciteta finansijskih regulatora i ogromnim napretkom u harmonizaciji crnogorskog zakonodavstva sa pravnim tekovinama EU (EU *acquis communautaire*) u oblasti finansijskog sektora. U **8** novih zakona i više od **10** novih propisa prenjeto je **15** osnovnih direktiva EU koje čine okosnicu finansijske regulacije u EU. Imajući u vidu važnu ulogu finansijskog sektora, ne samo da je Crna Gora ubrzano napredovala ka EU integracijama, već je dobila i novi pravni okvir koji će bolje služiti cilju stabilnosti i razvoja sektora finansijskih usluga i zaštititi potrošača. Projektni tim pripremio



what is more important it also established the internal mechanisms for an efficient implementation – more than 29 internal rules, procedures, guidebooks, instructions, etc. were adopted, 3,500 pages were translated and made available to both the experts and the stakeholders.

As a result of the joint work and the extensive training of 126 man days, 14 study visits; 2 international seminars abroad and 22 seminars and workshops in Montenegro, the local experts acquired the needed capacity to further align the Montenegrin legislation with the EU requirements and to implement it.

The project involved the experience of a wide number of EU member states including Spain, Germany, Austria, Italy and other.

The cooperation between the financial supervision authorities is further strengthened internally and on cross-border basis. At the national level Montenegro established financial stability arrangements in line with the best international practices. The high level Financial Stability Council started operation a year ago and is successfully functioning, several MOUs were concluded and joint inter-institutional working groups were

je pravni okvir ali, što je još važnije, uspostavio je interne mehanizme za efikasnu implementaciju – usvojeno je više od 29 internih pravila, procedura, smjernica, uputstava, i dr. Prevedeno je 3.500 stranica i dostavljeno ekspertima i zainteresovanim stranama.

Kao rezultat zajedničkog rada i obimne obuke u trajanju od 126 dana/po čoveku, 14 studijskih posjeta, 2 međunarodna seminaru u inostranstvu i 22 seminaru i radionice u Crnoj Gori, lokalni eksperti stekli su neophodni kapacitet da nastave da rade na usklađivanju crnogorskog zakonodavstva sa zahtjevima EU i njegovom sprovođenju.

Projekat je koristio i iskustva velikog broja država članica EU, uključujući Španiju, Njemačku, Austriju, Italiju i druge.

Saradnja između nadležnih organa za finansijsku superviziju dodatno je ojačana interno i na prekograničnoj osnovi. Na nacionalnom nivou, Crna Gora je uspostavila aranžmane finansijske stabilnosti u skladu sa najboljim međunarodnim praksama. Savjet za finansijsku stabilnost, tijelo visokog nivoa, započeo je sa radom prije godinu dana i uspješno funkcioniše, nekoliko Memoranduma o razumijevanju (MoU) je



formed with the aim to prepare legal harmonisation acts.

The four beneficiaries received extensive training on the tasks and responsibilities of the financial authorities in the process of negotiation for EU membership.

potpisano i zajedničke međuinstitucionalne radne grupe su oformljene u cilju pripreme akata za pravnu harmonizaciju.

Četiri institucije korisnici intenzivno su obučavane za zadatke i odgovornosti finansijskih nadležnih organa u procesu pregovora za članstvo u EU.

COMPONENT 1

Activities in Support of the CBM Banking Supervision and Financial Stability Function

There was a significant impact over CBM banking supervision and financial stability function in the area of legislation, preparation of instructions and reporting formats, capacity building and cooperation.

The most significant effect for the stability of the banking sector has the enactment of the Capital Adequacy Decision. The new CAD sustainably fostered regulatory mechanisms of the Central Bank as a prerequisite for the financial stability.

One of the most substantial contributions of the project in the banking sector is the preparation of the whole framework for the implementation of Pillar II

KOMPONENTA 1

Aktivnosti za podršku kontroli banaka i funkciji finansijske stabilnosti CBCG

Ostvaren je značajan efekat u superviziji banaka i funkciji finansijske stabilnosti CBCG u oblasti zakonodavstva, pripreme uputstava i obrazaca izvještavanja, izgradnje kapaciteta i saradnje.

Najznačajniji efekat kod stabilnosti bankarskog sektora ima usvajanje Odluke o adekvatnosti kapitala banaka. Nova Odluka o adekvatnosti kapitala banaka na održivim osnovama podržala je regulatorne mehanizme Centralne banke, kao preduslova za finansijsku stabilnost.

Jedan od najznačajnijih doprinosa projekta bankarskom sektoru je priprema cjelokupnog okvira



requirements of the Basel II Accord. The introduction of the *Internal Capital Adequacy Assessment Process (ICAAP)* concept will sustainably foster relationship between banks' risk profile, risk management, and capital. The ICAAP requirement will ensure that banks adequately identify, measure, aggregate and monitor risks they are exposed to, hold adequate capital in relation to their risk profile and establish sound risk management systems. For the first time, the 11 banks in Montenegro will start submitting their ICAAPs. *Supervisory Review and Evaluation Process (SREP)* will impose new requirements for the supervisory authority with regard to the evaluation of ICAAP, review of all material risks banks are exposed to, and reliability of their internal governance and risk management. The implementation of Pillar II will enable the supervisory authority to ensure that banks have sufficient capital to support all material risks to which they are exposed in their operations. The implementation of Pillar II will ensure that banking risks, risk management approach and systems will be commensurate with their capital planning and will enable the supervisory authority to ensure that banks have sufficient capital to handle all material risks they are exposed to in their operations.

za implementaciju zahtjeva iz Stuba II Bazela II Sporazuma o kapitalu banaka. Uvođenje koncepta *Postupak procjene adekvatnosti internog kapitala (ICAAP)* će na održivi način unaprijediti odnos između rizičnog profila banaka, upravljanja rizicima i kapitala. ICAAP zahtjev će osigurati da banke na adekvatan način identifikuju, mjere, agregiraju i prate rizike kojima su izložene, drže dovoljno kapitala u odnosu na njihov rizičan profil i uspostavljaju adekvatne sisteme za upravljanje rizicima. Banke u Crnoj Gori će po prvi put početi sa dostavljanjem svojih ICAAP. *Proces supervizorskog pregleda i procjene (SREP)* nametnuće novi zahtjev supervizorskim organima u pogledu prcjene ICAAP, pregleda svih materijalnih rizika kojima su banke izložene i pouzdanosti njihovog internog upravljanja i upravljanja rizicima. Implementacija Stuba II će osigurati da bankarski rizici, pristup i sistemi upravljanja rizicima odgovaraju njihovom planiranju kapitala i omogućiće supervizorskim organima da osiguraju da banke imaju dovoljno kapitala za sve materijalne rizike kojima su izložene u svom poslovanju.



Main results

- A comprehensive Gap analysis was prepared aiming at identifying the main areas where changes in the legislation are needed in order to comply with the EU requirements in the whole financial sector;
- 5 transposition tables were prepared for the compliance of current laws with the core EU directives, including Capital Requirements Directive (CRD III) and CRD IV;
- Action Plan for the Basel II implementation was prepared, adopted by the CBM Council in September 2010 and implemented;
- New CBM **Capital Adequacy Decision** was prepared, adopted by the CBM Council and came into force. Implementation starts from 1 January 2012;
- New CBM **Decision on Public Disclosure** was prepared and it is envisaged to be enacted at the end of 2011.
- **Decision on the Manner of Calculating Bank's Exposures and Decision on amendments to the CBM Decision on Minimum Standards for Credit Risk Management** were prepared and will

Osnovni rezultati

- Pripremljena je sveobuhvatna gap analiza u cilju identifikovanja glavnih oblasti u kojima je neophodna izmjena zakonodavstva radi usklađivanja sa zahtjevima EU u okviru cjelokupnog finansijskog sektora;
- Izrađeno je 5 transpozicionih tabela u cilju usklađivanja postojećih zakona sa osnovnim direktivama EU, uključujući Direktivu o adekvatnosti kapitala (CRD III) i CRD IV;
- Pripremljen je Akcioni plan za implementaciju Bazela II koji je usvojio Savjet CBCG u septembru 2010. godine i koji je sproveden;
- Pripremljena je nova CBCG **Odluka o adekvatnosti kapitala** banaka koju je usvojio Savjet CBCG i koja je stupila na snagu. Implementacija odluke počinje od 1. januara 2012. godine;
- Izrađena je nova CBCG **Odluka o objelodanjivanju** čije se usvajanje očekuje na kraju 2011. godine;
- Odluka o načinu izračunavanja izloženosti banaka i Odluka o izmjenama i dopunama Odluke o minimalnim standardima za upravljanje kreditnim rizikom u bankama je




be adopted by the CBM management in 2012.

- Guidance for Core Capital Hybrid Instruments was jointly prepared and will serve as guidance for the prepared amendments to the new CAD in the area of own funds and hybrids;
- Guidelines on Large Exposures were prepared as a tool for the implementation of the large exposures regime which will be implemented in 2012;
- Reporting Forms on Large Exposures and Guidance on reporting forms for large exposures were prepared and after the Decision on the Manner of Calculating Bank's Exposures and Decision on amendments to the CBM Decision on Minimum Standards for Credit Risk Management are adopted, banks will be required to comply with the new reporting system;
- Internal Guidelines for Recognition and Monitoring of External Credit Assessment Institutions were prepared and adopted by the CBM Council;
- The entire Common Reporting Format for banks was prepared

pripremljena i biće usvojena od strane Savjeta CBCG u 2012. godini.

- Uputstvo za uključivanje hibridnih instrumenata u osnovni kapital je zajednički pripremljeno i služiće kao smjernice za pripremljene izmjene i dopune nove Odluke o adekvatnosti kapitala banaka u oblasti sopstvenih sredstava i hibrida;
- Pripremljene su Smjernice za velike izloženosti kao instrument za sprovođenje režima velikih izloženosti koji će biti implementiran 2012. godine;
- Izvještajni obrasci za velike izloženosti i Uputstva za izvještajne obrasce su pripremljeni i nakon usvajanja Odluke o načinu izračunavanja izloženosti banaka i Odluke o izmjenama i dopunama Odluke o minimalnim standardima za upravljanje kreditnim rizikom, banke će morati da primijene novi sistem izvještavanja;
- Interne smjernice za priznavanje i praćenje eksternih institucija za dodjeljivanje kreditnog rejtinga su pripremljene i usvojene od strane Savjeta CBCG;
- Pripremljen je cjelokupni Jedinствeni izvještajni obrazac




and the infrastructure for the implementation is under preparation;

- Written report on the best practices for consolidated supervision of banking groups was prepared and will be used by the supervision department in case of consolidation ;
- Internal SREP guidebook was prepared and adopted by the CBM Council;
- Pillar II documents pack was prepared and included in the new Capital Adequacy Decision: SREP and ICAAP Guidelines for the banks and ICAAP reporting form. Furthermore, IRRBB Guidance, Concentration risk Guidance and Stress-testing Guidance were prepared during the extension of the project. All banks will comply with this pack starting from 2012.
- Internal framework for coordination and cooperation within colleges of supervisors was prepared and adopted by the CBM Council;
- **Decision** and Guidelines on the Requirements on Remuneration in Banks in compliance with the CRD III were prepared.
- The **Law on Financial Stability Council** was adopted and came into

za banke i infrastruktura za implementaciju se priprema;

- Izrađen je pisani izvještaj o najboljim praksama za konsolidovanu superviziju bankarskih grupa i njega će koristiti Sektor za kontrolu u slučaju konsolidacije;
- Interna uputstva za SREP su pripremljena i usvojena od strane Savjeta CBCG;
- Pripremljen je paket dokumenata o Stubu II i on je obuhvaćen novom Odlukom o adekvatnosti kapitala: SREP i ICAAP smjernice za banke i ICAAP izvještajni obrasci. Pored toga, Smjernice za rizik kamatne stope po osnovu netrgovinskih aktivnosti, Smjernice za rizik koncentracije i Smjernice za stresno testiranje pripremljeni su tokom produžetka projekta. Sve banke će postupati u skladu sa ovim paketom dokumenata od 2012.godine.
- Pripremljen je interni okvir za koordinaciju i saradnju u okviru kolegijuma supervizora i usvojen od strane Savjeta CBCG;
- Izrađene su **Odluka i Smjernice za naknade u bankama** u skladu sa CRD III.
- **Zakon o Savjetu za finansijsku stabilnost** je usvojen i stupio je na




force in 2010 establishing the new financial stability arrangements in Montenegro in compliance with the best practices. The Financial Stability Council was established and functions.

- The internal financial stability function in all the beneficiary institutions was strengthened. CBM Financial Stability Department was also set up;
- The **Law on Financial Collateral Arrangements** was prepared which fully harmonises the Montenegrin legislation with the requirements of Directive 2002/47/EC on financial collateral arrangements and Directive 2009/44/EC amending Directive 98/26/EC on settlement finality in payment and securities settlement systems and Directive 2002/47/EC on financial collateral arrangements as regards linked systems and credit claims.
- The CBM Council enacted a **Decision on obligatory elements for money transfer** referring to payer (Official Gazette N 15/11) to fully comply with EC Regulation 1781/2006. By enacting this Decision, the obligatory elements were defined for the payment order

snagu 2010. godine. Ovim zakonom uspostavljeni su novi aranžmani finansijske stabilnosti u Crnoj Gori koji su u skladu sa najboljim praksama. Savjet za finansijsku stabilnost je osnovan i u funkciji.

- Interna funkcija finansijske stabilnosti ojačana je u svakoj od institucija korisnika projekta. Direkcija za finansijsku stabilnost je takođe oformljena u CBCG;
- Pripremljen je **Zakon o finansijskim kolateralima** kojim je crnogorsko zakonodavstvo u potpunosti harmonizovano sa zahtjevima Direktive 2002/47/EZ o ugovorima o finansijskim kolateralima i Direktive 2009/44/EZ kojom se mijenja Direktiva 98/26/EZ o konačnosti poravnanja u sistemima poravnanja platnog prometa i hartija od vrijednosti i Direktive 2002/47/EZ o ugovorima o finansijskim kolateralima po pitanju povezanih sistema i kreditnih potraživanja.
- Savjet CBCG usvojio je Odluku obaveznim elementima naloga za transfer sredstava koji se odnose na uplatioca (Službeni list CG br.15/11) koja je u potpunosti u skladu sa EZ Regulativom



for money transfer in the country and abroad for payer in order to prevent the use of the financial system for the purpose of money laundering and terrorist financing. Other three draft proposals for amending Montenegrin legislation refer to the changes in the Law on National Payment Operations (OGM 61/08), Law on Foreign Current and Capital Operations and Decision on the Conditions and Manner of Performing Certain Activities Involved in the Transfer Execution by the Agent (OGM 24/09). It was decided that all three draft amendments will be incorporated into the future new payment legislation in accordance with Payment Services Directive.

- In the payment service area the team started preparing the law which will transpose the requirements of Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market. This will create new legal framework for payment service providers and protection of consumers of payment services. The CBM staff prepared an Action plan for transposition of the PSD. The directive was presented also to the commercial banks.

1781/2006. Donošenjem ove odluke definisani su obavezni elementi za naloge za plaćanje u zemlji i inostranstvu koji se odnose na uplatioca kako bi se spriječilo korišćenje finansijskog sistema u svrhu pranja novca i finansiranja terorizma. Druga tri nacrtu prijedloga za izmjene i dopune crnogorskog zakonodavstva odnose se na izmjene Zakona o platnom prometu u zemlji (Službeni list CG br. 61/08), Zakona o tekućim i kapitalnim poslovima sa inostranstvom i Odluke o uslovima i načinu obavljanja pojedinih poslova u izvršavanju transfera sredstava od strane agenta (Službeni list CG br. 24/09). Odlučeno je da će sva tri nacrtu izmjena i dopuna biti ugrađena u buduće zakonodavstvo platnog prometa u skladu sa Direktivom o uslugama u platnom prometu.

- U oblasti platnih usluga, tim je započeo pripremu zakona koji će prenijeti zahtjeve uz Direktive 2007/64/EZ Evropskog parlamenta i Savjeta od 13. novembra 2007. o uslugama platnog prometa na unutrašnjem tržištu. Ovo će stvoriti novi pravni okvir za pružaoce usluga platnog prometa i zaštitu korisnika usluga platnog prometa. Osoblje CBCG je pripremlilo Akcioni plan za prenošenje Direktive o uslugama u platnom prometu. Ova direktiva je predstavljena i komercijalnim bankama.



COMPONENT 2

Activities Related to the Securities and Exchange Commission (SEC)

In the area of securities, noticeable progress was made in the overall philosophy of regulation and supervision of the Montenegrin capital market. All the trainings conducted and supervisory manuals prepared not only created awareness about the different topics, but also contributed for the establishment of a new perception of the SEC and other stakeholders about their role, obligations and opportunities within the large framework of the single EU market of financial services.

Main results

- 2 draft laws (Law on Investment Funds and Law on Securities) were prepared.
- The **Draft Securities Law** harmonizes the Montenegrin legislation with four directives, namely: 2003/6/EC on insider dealing and market manipulation (Market Abuse Directive), 2003/71/EC on the prospectus to be published when securities are offered to


KOMPONENTA 2

Aktivnosti u vezi sa Komisijom za hartije od vrijednosti (KHoV)

U oblasti hartija od vrijednosti napravljen je značajan napredak u generalnoj filozofiji regulative i supervizije crnogorskog tržišta kapitala. Sve obavljene obuke i izrađeni supervizorski priručnici ne samo da su doveli do razumijevanja različitih tema, već su doprinijeli i uspostavljanju nove percepcije KHoV i drugih zainteresovanih strana o njihovoj ulozi, obavezama i mogućnostima unutar velikog okvira jedinstvenog tržišta finansijskih usluga Evropske unije.


Osnovni rezultati

- Pripremljena su 2 nacrt zakona (Zakon o investicionim fondovima i Zakon o hartijama od vrijednosti).
- Nacrtom **Zakona o hartijama od vrijednosti** crnogorsko zakonodavstvo je harmonizovano sa četiri direktive u oblasti hartija od vrijednosti, i to: 2003/6/EZ o insajderskoj trgovini i tržišnim manipulacijama (Direktiva o zloupotrebi tržišta), 2003/71/EZ o

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the public or admitted to trading (Prospectus Directive), 2001/34/EC on the admission to official stock exchange listing and on information to be published on those securities, 2004/109/EC on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (Transparency Directive) in the securities field. It is a significant step forward to developing a modern, EU-harmonized and consistent legal framework. The **Law on Investment Funds** harmonizes the Montenegrin legislation with Directive 2009/65/EC (UCITS IV Directive) and introduces new type of investment vehicles for the Montenegrin market, namely the Undertakings for Collective Investments in Transferable Securities. These funds are recognized worldwide as an efficient and flexible investment product, affording significant investor protections to a broad pool of potential investors, including retail investors, while still permitting managers sufficient investment latitude to pursue high return strategies. The new law is expected to lead to new investment opportunities

prospektu koji se objavljuje prilikom ponude hartija od vrijednosti na tržištu ili prihvatanja za trgovinu (Direktiva o prospektima), 2001/34/EZ o uključivanju na zvaničnu kotaciju berze i o informacijama koje se objavljuju o tim hartijama od vrijednosti, 2004/109/EZ o harmonizaciji zahtjeva za transparentnost informacija o emitentima čije su hartije od vrijednosti prihvaćene za trgovinu na regulisanom tržištu (Direktiva o transparentnosti). Ovo je značajan korak naprijed u izgradnji modernog, EU harmonizovanog i dosljednog pravnog okvira. Zakonom o investicionim fondovima crnogorsko zakonodavstvo je harmonizovano sa Direktivom 2009/65/EZ (UCITS IV Direktiva) i uvodi novu vrstu investicionih kompanija sa posebnom namjenom na crnogorskom tržištu, to jest, kompanije za kolektivno investiranje u prenosive hartije od vrijednosti. Ovi fondovi su priznati širom svijeta kao efikasni i fleksibilni investicioni proizvod koji pruža značajnu zaštitu širokom spektru potencijalnih investitora, uključujući investitore koji su fizička lica, pri tom dozvoljavajući menadžerima dovoljno slobode da sprovedu strategije



to retail clients with higher standards for transparency and investors protection;

- The **Law on Takeover bids** was consulted with the twinning partner and adopted by the Parliament in March 2011;
- Guidance papers for the transposition of all the major directives: 2003/71/EC (Prospectus Directive), 2001/34/EC on the admission to official stock exchange listing and on information to be published on those securities, 2004/109/EC (Transparency Directive), 2009/65/EC (UCITS IV Directive), 2004/39/EC on markets in financial instruments (MiFID), 2003/41/EC on the activities and supervision of institutions for occupational retirement provision) in the area of securities and pensions were prepared, identifying the inconsistencies in the Montenegrin legislation and suggesting solutions thereof. These guidance papers will be used as a handbook during the implementing process of the respective directives in the Montenegrin legislation;
- 9 operational manuals and methodological instructions were prepared and most of them already implemented;

visokog povraćaja na sredstva. Očekuje se da će novi zakon dovesti do novih investicionih mogućnosti klijentima fizičkim licima, uz više standarde u pogledu transparentnosti i zaštite investitora.

- **Zakon o preuzimanju akcionarskih društava** bio je predmet konsultacije sa twinning partnerom i usvojen je od strane Skupštine u martu 2011;
- Uputstva za prenošenje svih glavnih direktiva: 2003/71/EZ (Direktive o prospektima), 2001/34/EZ o uključivanju na zvaničnu kotaciju berze i o informacijama koje se objavljuju o tim hartijama od vrijednosti, 2004/109/EZ (Direktive o transparentnosti), 2009/65/EC (UCITS IV Directive), 2004/39/EC o tržištima finansijskih instrumenata (MiFID), 2003/41/EC o aktivnostima i superviziji institucija za pružanje usluga profesionalnog penzijskog osiguranja i oblasti hartija od vrijednosti i penzija su pripremljena, utvrdivši nedostatke u crnogorskom zakonodavstvu i predlažući rješenja. Ova uputstva će se koristiti kao priručnik tokom procesa implementacije predmetnih direktiva u crnogorsko zakonodavstvo;



- 24 different trainings were carried out, including 2 international conferences. The training helped Montenegrin experts and other stakeholders to acquire high level of knowledge and competence needed during the EU accession process. In order to present wider view and share the best practices, the MS partner ensured participation of lecturers from the regulatory authorities of Italy, Germany and Spain;
- One of the most tangible achievements of the joint work of SEC and the MS partners was the development of a **Consumer Protection and Awareness Strategy**. After being drafted under the project together with an action plan for its implementation, the strategy was adopted by the Board of the SEC and the beneficiary started its implementation. Less than half a year after starting the implementation of the strategy, the SEC established its **Investors Information Centre** and published information brochures for consumers. A conference on consumer protection was carried out on 12th May 2011 “Role of financial education for an effective consumer protection policy” with the participation of representatives from securities investment service providers, NGOs involved in consumer
 - Pripremljeno je 9 operativnih priručnika i metodoloških instrukcija i većina njih je već sprovedena;
 - Sprovedene su 24 različite obuke, uključujući 2 međunarodne konferencije. Obuka je pomogla ekspertima i drugim zainteresovanim stranama u Crnoj Gori da steknu visok nivo znanja i sposobnosti neophodnih tokom procesa pristupanja EU. Da bi prezentovao širu perspektivu i podijelio najbolje prakse, partne iz države članice osigurao je učešće predavača iz regulatornih organa Italije, Njemačke i Španije;
 - Jedno od najopipljivijih dostignuća zajedničkog rada KHoV i partnera iz država članica je priprema **Strategije zaštite i informisanja potrošača**. Nakon pripreme nacрта u okviru projekta, zajedno sa akcionim planom za njeno sprovođenje, strategija je usvojena od strane Odbora KHoV koji je započeo njenu implementaciju. Manje od pola godine nakon početka implementacije strategije, KHoV je osnovala svoj **Centar za informisanje investitora** i objavila informativne brošure za potrošače. Konferencija o zaštiti potrošača održana je 12. maja 2011. pod nazivom „Uloga finansijske edukacije u efektivnoj politici zaštite potrošača“, uz učešće predstavnika pružaoca usluga investicija hartija od vrijednosti,



protection, journalists, and experts from other financial supervisory authorities. Brochures of SEC on securities investments and voluntary pension funds were presented.

- A **Memorandum of understanding** between the Montenegrin SEC and the Bulgarian FSC was signed. Through this Memorandum of understanding, the SECMN and the BFSC express their willingness to cooperate with each other on the basis of mutual trust and understanding in the supervision of cross-border establishments of investment firms and pension companies incorporated in Bulgaria and in Montenegro.

NVO uključenih u zaštitu potrošača, novinara i eksperata iz drugih nadležnih finansijskih supervizora. Na konferenciji su prezentovane brošure KHoV o investiranju u hartije od vrijednosti i dobrovoljnim penzionim fondovima.

- Potpisan je **Memorandum o razumijevanju** između crnogorske KHoV i bugarske Komisije za finansijsku superviziju u kojem su ove dvije institucije izrazile svoju spremnost na međusobnu saradnju na bazi međusobnog povjerenja i razumijevanja u superviziji prekograničnih investicionih društava i penzijskih kompanija osnovanih u Bugarskoj i Crnoj Gori.

COMPONENT 3

Activities Related to the Insurance Supervision

The main achievements in the insurance sector are related with the alignment of the legislation of Montenegro with the EU legislation for insurance and the enhanced capacity of the ISA staff.

Main results

- Draft Law amending the **Law on Compulsory Transport Insurance**


KOMPONENTA 3

Aktivnosti u vezi sa nadzorom osiguranja

Osnovna dostignuća u sektoru osiguranja odnose se na usklađivanje zakonodavstva Crne Gore sa zakonodavstvom EU u oblasti osiguranja i ojačan kapacitet osoblja Agencije za nadzor osiguranja (ANO).

Osnovni rezultati

- Nacrt zakona o izmjenama i dopunama **Zakona o obaveznom osiguranju u**



and a transposition table were prepared, fully in line with the EU legislation for insurance of motorcar third party liability (MTPL) Directive 2009/103/EC. It will contribute in the future to bringing insurance and supervisory practice in that area in line with the EU standards. The law is in a process of adoption.

- Guidelines on how to perform self-assessment of the core principles of the International Association of Insurance Supervisors (IAIS) were prepared;
- ISA self assessment report of the International Association of Insurance Supervisors (IAIS) core principles and recommendations were prepared. It will improve the quality of the supervision process at the ISA.
- Working plans for off-site and on-site inspections were prepared with a description of the off-site monitoring process and on-site inspection process.
- Gap analysis of core chapters of the Solvency II Directive was prepared. Based upon this gap analysis, ISA will draft amendments to part of the articles of the Insurance Law in accordance with the developments of the legislative frame.
- An evaluation report and a master plan (road map) with the necessary

saobraćaju i transpoziciona tabela su pripremljeni, u potpunosti u skladu sa zakonodavstvom EU u oblasti osiguranja od odgovornosti za štetu pričinjenu trećim licima korišćenjem motornog vozila, Direktivom 2009/103/EZ. Ovo će doprinijeti budućem usklađivanju prakse osiguranja i supervizije sa standardima EU. Zakon je u postupku usvajanja.

- Pripremljene su Smjernice o sprovođenju samoprocjene osnovnih principa Međunarodnog udruženja supervizora osiguranja (IAIS);
- Pripremljen je ANO izvještaj o samoprocjeni osnovnih principa Međunarodnog udruženja supervizora osiguranja (IAIS) i date su preporuke. To će poboljšati kvalitet procesa supervizije ANO.
- Sačinjeni su planovi rada za posredne i neposredne kontrole, uz opis procesa posrednog praćenja i procesa neposredne kontrole.
- Gap analiza osnovnih poglavlja Direktive Solventnost II je pripremljena. Na osnovu ove analize ANO će pripremiti izmjene i dopune određenih članova Zakona o osiguranju u skladu sa razvojem zakonodavnog okvira.
- Pripremljen je izvještaj o procjeni i master plan („mapa puta“) sa



conclusions concerning a possible way of transposing and application of Solvency II in Montenegro were prepared.

neophodnim zaključcima u pogledu mogućeg načina prenošenja i primjene Direktive Solventnost II u Crnoj Gori.

COMPONENT 4

Activities Related to the Prevention of Money Laundering, Terrorist Financing and Other Forms of Financial Crimes

The project team achieved substantial progress in aligning the anti-money laundering and terrorist financing policies and legislation with the relevant requirements of Directive 2006/70/EC and Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and also with MONEYVAL recommendations. The capacity of all responsible institutions namely CBM, SEC, ISA, Administration for the Prevention of Money Laundering and Terrorist Financing, prosecutors' offices, police, was further strengthened. Powerful instruments were used in order to increase public awareness about money laundering.

KOMPONENTA 4

Aktivnosti vezane za sprečavanje pranja novca, finansiranja terorizma i drugim oblicima finansijskog kriminala

Projektni tim je postigao značajan napredak u usklađivanju politika i zakonodavstva u oblasti sprječavanja pranja novca i finansiranja terorizma sa relevantnim zahtjevima iz Direktive 2006/70/EZ i Direktive 2005/60/EZ o sprječavanju korišćenja finansijskog sistema u svrhu pranja novca i finansiranja terorizma, kao i sa preporukama MONEYVAL-a. Dodatno je ojačan kapacitet nadležnih institucija, to jest, CBCG, KHoV, ANO, Uprave za sprječavanje pranja novca i finansiranja terorizma (USPNFT), tužilaca i policije. Korišćeni su moćni instrumenti kako bi se povećala informisanost javnosti o pranju novca.



Main results

- Gap analysis on the compliance of the MN AML/CFT legislation with Directive 2005/60/EC was prepared and broadly used for setting up of priorities and measures to combat the problem;
- **Draft law amending the Law on the Prevention of Money Laundering and Terrorist Financing** was prepared together with the transposition table. The Law transposes the requirements of Directive 2005/60/EC and takes into consideration the recommendations of the recent MONEYVAL report;
- AML/CFT Inspection Manuals were prepared for the CBM, SEC and ISA. They describe the process and procedures for the on-site inspections and off-site examinations. The inspection programs will guide supervisors in the coming three years.
- Inspection programs of CBM, ISA and SEC were prepared and adopted by Management Boards;
- Communication plan for awareness of the Law on the Prevention of Money Laundering and Terrorist Financing in Montenegro was also prepared and implemented.

Osnovni rezultati

- Pripremljena je gap analiza u pogledu usklađenosti crnogorskog zakonodavstva u oblasti SPNFT sa Direktivom 2005/60/EZ i ona je intenzivno korišćena u utvrđivanju prioriteta i mjera za borbu sa ovim problemom;
- Izrađen je **predlog Zakona o izmjenama i dopunama Zakona o sprječavanju pranja novca i finansiranja terorizma**, zajedno sa transpozicionom tabelom. Zakonom su prenešeni zahtjevi iz Direktive 2005/60/EZ uzete u obzir preporuke nedavnog izvještaja MONEYVAL-a;
- Priručnici za kontrolu SPNFT su pripremljeni za CBCG, KHov i ANO. Oni opisuju proces i postupke za neposredne i posredne kontrole. Programi kontrola će biti smjernice za supervizore u naredne tri godine.
- Programi kontrole CBCG, ANO i KHov su pripremljeni i usvojeni od strane upravnih odbora;
- Plan komunikacije za informisanje o Zakonu o sprječavanju pranja novca i finansiranja terorizma u Crnoj Gori je takođe pripremljen i implementiran.



- Information brochures on AML/CFT were produced and the 95,000 copies were distributed among the public and the financial institutions. The brochures are also available on the websites of the financial supervision authorities.
- MOU on cooperation between the Central Bank of Montenegro, Securities and Exchange Commission, Insurance Supervision Agency, Ministry of Finance, Administration for the Prevention of Money Laundering and Terrorist Financing on AML/CFT was prepared. The MOU will further strengthen the cooperation between the responsible institutions.
- The BC (beneficiary country) staff was trained in various on-site and off-site inspection techniques, gained knowledge on the EU and international standards on AML/CFT.
- Four workshops and seminars to increase public awareness were held in Podgorica for journalists, judges, prosecutors, financial companies, etc.
- Informativne brošure o SPNFT su pripremljene i 95.000 primjeraka je distribuirano javnosti i finansijskim institucijama. Brošure su takođe dostupne i na internet stranicama finansijskih supervizorskih organa.
- Pripremljen je Memorandum o saradnji između Centralne banke Crne Gore, Komisije za hartije od vrijednosti, Agencije za nadzor osiguranja, Ministarstva finansija i Uprave za sprječavanje pranja novca i finansiranja terorizma. Ovaj Memorandum će dodatno ojačati saradnju između ovih nadležnih institucija.
- Osooblje zemlje korisnika je obučeno u raznim tehnikama neposredne i posredne kontrole, steklo znanje o EU i međunarodnim standardima u oblasti SPNFT.
- Četiri radionice i seminara održano je u Podgorici za novinare, sudije, tužioce, finansijske kompanije i dr. u cilju povećanja informisanosti javnosti.

The project results have sustainable impact on the financial sector and financial regulators in Montenegro.

Rezultati projekta imaju održivi uticaj na finansijski sektor i finansijske regulatore u Crnoj Gori.