

LAW ON BANKRUPTCY AND WINDING-UP OF BANKS

a.k.a. BANK BANKRUPTCY AND LIQUIDATION LAW*

(OGRM 047/01 of 1 October 2001, OGM 062/08 of 15 October 2008, 044/10 of 30 July 2010, 072/19 of 26 December 2019, 113/24 of 27 November 2024, 089/25 of 5 August 2025)

I BASIC PROVISIONS

Article 1

This Law shall govern the conditions and proceedings of bankruptcy and winding-up of banks.

Article 2

The bankruptcy proceedings shall be conducted against a bank to which the Central Bank of Montenegro (hereinafter: the Central Bank) has withdrawn the licence and which liabilities have exceeded its assets.

The bankruptcy proceedings shall be further carried out on a proposal of the liquidator when, during the winding-up proceedings of the bank, it is determined that the bank's assets are not sufficient to meet the claims of its creditors.

The winding-up proceedings shall be conducted against a bank to which the Central Bank has withdrawn the licence and which does not qualify for bankruptcy proceedings.

The winding-up proceedings shall also be opened in a bank which license has been withdrawn by the Central Bank on the basis of a decision passed by the bank's general shareholders' assembly on cessation of the work of the bank (hereinafter: the voluntary liquidation).

Article 3

The Central Bank shall open and conduct the bankruptcy proceedings and winding-up proceedings against a bank.

Obligations arising from the bankruptcy proceedings shall be satisfied at the expense of the bankruptcy estate.

II PROCEDURAL PROVISIONS

Article 4

The decisions in the bankruptcy proceedings and winding-up proceedings shall be made in the form of administrative decisions.

Article 5

Deleted. (Law amending Bank Bankruptcy and Liquidation Law, OGM 72/19)

Article 6

The administrative decision passed in the bankruptcy proceedings or winding-up proceedings shall be posted on a bulletin board and website of the Central Bank, the bank under bankruptcy or winding-up proceedings and their parts (hereinafter: the bank).

An administrative dispute may be initiated against the final administrative decision adopted in the bankruptcy proceedings or winding-up proceedings, before the competent court.

III BANKRUPTCY PROCEEDINGS

Article 7

The Council of the Central Bank shall assess the fulfilment of conditions for opening the bankruptcy proceedings and pass an administrative decision on opening the bankruptcy proceedings.

In the case when the proposal for opening the bankruptcy proceedings has been submitted by the liquidator, the Council of the Central Bank shall pass a decision on opening the bankruptcy proceedings no later than the following business day upon the receipt of the proposal.

The administrative decision on opening the bankruptcy proceedings shall be final.

The administrative decision on opening the bankruptcy proceedings shall be published in the "Official Gazette of Montenegro" and at least two daily printed media distributed in the territory of Montenegro.

An administrative dispute may be initiated against the administrative decision on opening the bankruptcy proceedings.

The competent court shall pass a decision on the dispute referred to in paragraph 5 of this Article within 30 days following the day of the claim receipt.

Article 8

The passing of the administrative decision on opening the bankruptcy proceedings in a bank shall incur the obligation of the Deposit Protection Fund to guaranteed deposits pay-out of that bank, in accordance with the law governing the deposit protection.

1. Bankruptcy administrator

Article 9

The bankruptcy administrator shall be appointed by way of an administrative decision on opening the bankruptcy proceedings.

The bankruptcy administrator in the bankruptcy proceedings shall be a body of the Central Bank and shall decide by adopting administrative acts.

When accepting their duties and responsibilities, the bankruptcy administrator shall make a written statement to the bankruptcy board to the effect that they shall perform such duties in a conscientious manner.

Article 10

The bankruptcy administrator shall be appointed from the list of bankruptcy administrators determined by the Council of the Central Bank.

A person that has professional knowledge in banking operations, at least 3 years of work experience in banking and the unbiased behaviour of whom cannot be doubted, may be appointed as bankruptcy administrator.

Article 11

A person may not be appointed as bankruptcy administrator if such a person:

- 1) was convicted of a crime or proceedings have been taken against him for an offence making him unworthy of performing such function;
- 2) has claims against or obligations towards the bank;
- 3) is a member of the bank bodies, executive director or an official with special powers and responsibilities or is the external auditor of the bank or a person that is in the first-degree blood relationship with them, and in other cases where there is conflict of interests;
- 4) has related interests with the bank;
- 5) was released of the duty of the bankruptcy administrator by the bankruptcy board, a competent court or the Central Bank, due to performing their duties unconscientiously or in an unprofessional manner or due to abusing the official position;

6) was a debtor in the bankruptcy proceedings.

Article 12

The bankruptcy administrator shall be released of duty when:

- 1) it has been subsequently determined that he does not fulfil the conditions specified in Article 10 of this Law;
- 2) the existence of the reasons specified in Article 11 of this Law, due to which they could not have been appointed at all;
- 3) they perform their duties in an unprofessional and unconscientious manner;
- 4) they become permanently incapable of performing their duties;
- 5) they submit a request for such a release.

In the case that they submit a request to be released of the duty, the bankruptcy administrator shall perform their duties until the new bankruptcy administrator is appointed.

Article 13

The bankruptcy administrator shall assume powers of the supervisory board and the management board of the bank, and shall carry them out pursuant to the needs of the bankruptcy proceedings, in accordance with this Law.

The bankruptcy administrator shall, in particular:

- 1) secure the property of the bank;
- 2) compile an estimation of the bankruptcy proceedings expenses;
- 3) update business books, bookkeeping and other documentation of the bank until the day of the opening of the bankruptcy proceedings;
- 3a) submit to the Deposit Protection Fund data and, if required, documents needed for the calculation and pay-out of guaranteed deposits in accordance with the law governing deposit protection;
- 4) make the inventory list of the bank's assets;
- 5) draw up the initial bankruptcy balance sheet;
- 6) take care of the collection of the bank's claims;
- 7) prepare the report on the bank's financial condition within 30 days following that of their entry on duty;
- 8) pass a decision on the lodged claims of the creditors, including claims of the Deposit Protection Fund arising from covered deposits pay-out;
- 9) liquidate the bank's assets that will be part of the bankruptcy estate;
- 10) compile the draft of the main distribution;
- 11) draw up the closing bankruptcy balance sheet;
- 12) ensure the maintaining of business books and the documentation, including information of beneficial owners of the banking accounts, during the bankruptcy proceedings, in accordance with the law.

Article 14

The bankruptcy administrator and persons engaged by them to perform duties in line with this Law shall not be held liable for any damages incurred during the performance of their duties in line with the law and regulations adopted on the basis of the law, unless it has been proved that the specific action was done intentionally or by gross negligence.

The bank shall bear the costs of court proceedings against persons referred to in paragraph 1 of this Article arising with regard to the performance of their duties.

Article 15

The bankruptcy administrator shall submit to the bankruptcy board written reports on the progress of the bankruptcy proceedings at least once in three months.

The bankruptcy administrator shall also submit reports on the progress of the bankruptcy proceedings upon the request of the bankruptcy board or the Council or the Governor of the Central Bank.

Article 16

During the performance of the duties of the bankruptcy administrator, the rights and obligations that the person appointed as bankruptcy administrator has been entitled to on the basis of their employment shall be suspended in the body, organisation or with the employer where they ceased to work temporarily.

The person referred to in paragraph 1 above shall not perform any other professional duty.

The bankruptcy administrator shall exercise the rights, obligations and responsibilities based on the employment in the bank until their return to the body, organisation or employer referred to in paragraph 1 of this Article.

The bankruptcy administrator shall be entitled to a salary established in the administrative decision on their appointment, to the amount of an average salary of members of the management board in the bank received in a month preceding the opening of the bankruptcy proceedings in a bank.

The Council of the Central Bank may award special remuneration to the bankruptcy administrator determined on the basis of the scope and complexity of activities and results achieved during bankruptcy proceedings.

The salary and remuneration for the bankruptcy administrator, compensations to experts hired by the bankruptcy administrator and salaries of the persons employed in the bankruptcy proceedings shall be paid to the expense of the bank's assets, as the costs of the bankruptcy proceedings.

2. Bankruptcy board

Article 17

The bankruptcy board shall be a body of the Central Bank in bankruptcy proceedings and shall decide by adoption of administrative acts.

The bankruptcy board shall have five members appointed by the Council of the Central Bank.

A person who fulfils all the conditions for the bankruptcy administrator laid down in Article 10 of this Law may be appointed as a member of the bankruptcy board.

A member of the bankruptcy board shall be released of duty for the reasons stated in Article 12 of this Law.

A member of the bankruptcy board shall have the right to a compensation in the amount set by the Council of the Central Bank.

The costs of court proceedings related to administrative acts referred to in paragraph 1 of this Article shall be borne by the bank

Article 18

The bankruptcy board shall supervise the performance of the bankruptcy administrator, give instructions for the conduct of the bankruptcy proceedings, decide on appeals against decisions of the bankruptcy administrator, provide information to the Governor of the Central Bank as needed and upon request, propose the release of duty of bankruptcy administrator, give consent and perform other duties in accordance with this Law.

3. Opening of bankruptcy proceedings

Article 19

Deleted (Law amending Bank Bankruptcy and Liquidation Law, OGM 44/10)

Article 20

Deleted (Law amending Bank Bankruptcy and Liquidation Law, OGM 44/10)

Article 21

During the bankruptcy proceedings, only the bank's operations that are in the interest of creditors may be performed.

Article 22

The Council of the Central Bank may decide to open and close the bankruptcy proceedings when it establishes that the property of the bank is insufficient, or of insignificant amount, to cover the expenses of the proceedings.

The Council of the Central Bank may decide that the expenses of the bankruptcy proceedings be covered temporarily against the funds of the Council of the Central Bank, with the Council of the Central Bank having the right to reimbursement after the bankruptcy estate has been formed.

Article 23

The creditors shall be informed on the opening of the bankruptcy proceedings by way of a notice which shall be published on the day of passing the administrative decision on opening the bankruptcy proceedings.

The notice referred to in paragraph 1 of this Article shall be announced by posting on the bulletin boards and website of the Central Bank and the bank.

The notice referred to in paragraph 1 of this Article shall be published in the "Official Gazette of Montenegro", in the mass media outlets and on the website of the Central Bank.

The administrative decision on opening the bankruptcy proceedings shall be submitted to the bank, the Deposit Protection Fund, foreign banks in which the bank has opened an account, and the Central Registry of Business Undertakings (hereinafter: CRPS).

Article 24

The notice on the opening of the bankruptcy proceedings shall include the following:

- 1) name and head office of the Central Bank;
- 2) name of the Central Bank's body which has passed the administrative decision;
- 3) extract from the administrative decision on opening of the bankruptcy proceedings;
- 4) name of the bankruptcy administrator, with detailed information;
- 5) invitation to creditors to lodge their claims with supporting evidences to the bankruptcy administrator within 30 days following that of the publication of the notice in the "Official Gazette of Montenegro", with a warning that the claims not lodged in a timely manner will be rejected;
- 6) invitation to debtors to settle their matured debts without delay;
- 7) the date as of which the notice was posted on the bulletin board and website.

4. Legal effects of opening the bankruptcy proceedings

a) Time of entering into force

Article 25

Legal effects of opening the bankruptcy proceedings shall enter into force on the day when the notice on opening the bankruptcy proceeding has been posted on the bulletin board and website in accordance with Article 23 paragraphs 1 and 2 of this Law.

At the moment of the receipt of the administrative decision on opening the bankruptcy proceedings by the payment system operator where the bank in bankruptcy proceedings has opened the account, the operator shall block all accounts of the bank and shall prohibit the bank to use its funds.

The blockade of the account of the bank referred to in paragraph 2 of this Article shall not refer to cash or other funds that may be used for the purpose of meeting the obligations in the payment system

under the orders received before and to the moment of the receipt of the administrative decision referred to in paragraph 2 above.

b) Bankruptcy estate

Article 26

The bankruptcy estate shall be formed as of the day of opening the bankruptcy proceedings.

The bankruptcy estate shall consist of all of the bank's movable, immovable, tangible and intangible property, wherever it is located, all of the bank's claims, all contractual rights, all intellectual rights and other rights acquired under the law.

By way of derogation from paragraph 2 of this Article, bank's property or security (collateral), which the bank has pledged to secure loans for meeting the obligations in the payment system and which has been taken from another participant in the payment system, shall not be included in the bankruptcy estate.

v) Accounts and name of debtor

Article 27

On the day of opening the bankruptcy proceedings, all the bank's accounts shall be closed and rights of the persons authorised to dispose of the bank's assets shall cease, and upon request of the bankruptcy administrator, a new account shall be opened to be used for the bank's operations.

Cash funds from the bank's closed accounts shall be transferred to the new account.

When signing, the words: "under bankruptcy proceedings" shall be added to the name of the bank, together with the indication of the new account number that shall be used for performing the bank's operations.

g) Transfer of functions

Article 28

Powers of the supervisory board and the management board of the bank, representatives and procurators shall cease to exist and shall be transferred to the bankruptcy administrator as of the day of opening the bankruptcy proceedings.

d) Employment

Article 29

The employment for all bank employees shall terminate as of the day of opening the bankruptcy proceedings.

The employees whose employment is terminated shall exercise their rights in accordance with the general regulations on labour relations.

For the purpose of completing the operations in accordance to Article 21 of this Law and for the purpose of increasing the bankruptcy estate and preventing the detrimental consequences for the bank and creditors, the bankruptcy administrator may, without consent of the Council of the Central Bank, employ up to 10% of the number of employees that the bank had before the day of opening the bankruptcy proceedings.

The persons referred to in paragraph 3 of this Article shall be entitled to salary in the amount determined by the bankruptcy administrator, subject to the consent of the bankruptcy board.

The payment of the salaries referred to in paragraph 4 of this Article shall be made at the expense of the bankruptcy proceedings costs.

Article 30

Members of the supervisory board, members of the management board and other employees, although their function or employment with the bank has ceased, shall provide the bankruptcy

administrator with all necessary data and information until the bankruptcy proceedings have been closed or until released of that obligation by the bankruptcy board.

d) Interest rates

Article 31

The interest rate on the claims of creditors shall stop accruing as of the day of opening the bankruptcy procedure.

Interest rates on claims the bank has against its debtors shall continue to accrue during the bankruptcy proceedings.

e) Validity of contract

Article 32

The contracts entered into with the bank before opening the bankruptcy proceedings shall remain valid, unless the bankruptcy administrator, with consent of the bankruptcy board, notifies other party of rescinding the contract within 90 days as of the day that legal consequences of the opening the bankruptcy procedure have entered into force.

If the bankruptcy administrator rescinds the contract, other contractual party may only claim compensation of actual damages, as a bankruptcy creditor, in the priority ranking referred to in Article 48 of this Law.

Article 33

The bankruptcy administrator may cancel a lease contract under a 30-day notice, independently of legal or contracted time limits.

The cancellation of the lease contract referred to in paragraph 1 of this Article shall not interfere with the right of the other contractual party for damages in accordance with Article 32 paragraph 2 of this Law.

ž) Challenging legal actions

Article 34

The bankruptcy administrator and creditors shall have the right to challenge the legal actions that the bank has made to the detriment of creditors during the last three years preceding the day the legal effects of opening the bankruptcy proceedings have come into force, before the Commercial Court.

The bankruptcy administrator shall initiate the challenge proceedings for any legal actions that involve:

- 1) transactions of persons connected with the bank, in line with the law governing the banking operations, under the preferential terms or conditions;
- 2) fictitious legal operations that prevent payments to the bank creditors.

The lawsuit to challenge legal actions may be filed within no later than 6 months following the day the legal effects of the bankruptcy proceedings have come into force.

z) Executions and collateral

Article 35

All pending lawsuits against the bank shall be suspended on the day of opening bankruptcy proceedings, and the creditors shall notify the bankruptcy administrator of any such lawsuits and file their claims pursuant to provisions of this Law.

No lawsuit against the bank may be filed except as provided in accordance with this Law.

Article 36

On the day of opening the bankruptcy proceedings, no collateral can be foreclosed against the bank nor can compulsory enforcement be done for the purpose of settlement of claims in respect of which there is an enforcement decision.

Any proceedings related to security foreclosure and enforcement referred to paragraph 1 of this Article shall be terminated.

No new lien or other encumbrances may be attached to the bank's property during the bankruptcy proceedings.

Article 37

Deleted. (Law amending Bank Bankruptcy and Liquidation Law, OGM 44/10)

Article 38

The property that is not the ownership of the bank must be returned to its owner upon submitted request by the bankruptcy administrator within a reasonable time.

5. Deciding on claims

a) Lodgement of claims

Article 39

As of the day of the occurrence of legal effects of the opening of the bankruptcy proceedings, outstanding claims of the creditors to the bank shall be considered matured.

The creditors shall lodge their claims with supporting evidence to the bankruptcy administrator within 30 days following the publication of the notice in the "Official Gazette of Montenegro".

The lodgement of claim referred to in paragraph 2 of this Article shall include:

- 1) data on creditor, including:
 - title, or name and last name,
 - tax identification number, or unique master number of a natural person.
 - head office, or habitual residence,
 - transaction account number,
 - contact data;
- 2) data on claim, including:
 - legal basis of claim,
 - date of origination of claim,
 - amount of matured claim (including both principal and interest),
- 3) creditor's claim in respect of the main subject matter and subsidiary claims, facts underlying the claim, evidence proving those facts and other data that are mandatory for each pleading in accordance with the law governing the civil procedure;
- 4) list of documents proving the right to claim.

The lodgement of claim referred to in paragraph 3 of this Article shall be accompanied by original documents or certified copies of documents proving the right to claim.

The claims lodged after the time limit specified in paragraph 2 of this Article shall be rejected as untimely submitted.

The claims from the bank's business records shall be presumed to be lodged.

The claims identified by a final and binding court decision before the opening of the bankruptcy proceedings shall be presumed to be lodged.

b) Examination of claims

Article 40

The bankruptcy administrator shall examine the lodged claims of creditors.

The bankruptcy administrator shall decide on the lodged claims within 30 days from the day of expiration of the time limit for their lodgement.

By way of derogation from paragraph 2 of this Article, claims of the payment system participants referred to in Article 26 paragraph 3 of this Law and the rights arising from them shall be determined by the bankruptcy administrator within 24 hours following their entry on duty, by passing a separate decision.

Exceptionally, the bankruptcy board may, upon the proposal of the bankruptcy administrator extend the time limit specified in paragraph 2 of this Article for 30 days.

v) Administrative decision and appeals regarding filed claims

Article 41

The bankruptcy administrator shall deliver administrative decisions on the lodged claims and claims considered to have been lodged to the creditors no later than by the expiration of time limits set out in Article 40 of this Law, whereby the amount of claims on deposits protected under the law governing the deposit protection shall be reduced by the amount of calculated covered deposits to be paid out by the Deposit Protection Fund.

An appeal against the administrative decision referred to in paragraph 1 of this Article may be lodged with the bankruptcy board within eight days following that of the receipt of the administrative decision.

The bankruptcy board shall decide on the appeal referred to in paragraph 2 of this Article within eight days as of the day of receiving the appeal.

The appealing party shall have a right to bring proceedings against the bankruptcy board's administrative decision set forth in paragraph 3 of this Article or if the bankruptcy board fails to decide within the prescribed time limit before the competent court, within eight days as of the day of receiving the bankruptcy board's decision or as of the day of expiry of the time limit for deciding, in order to determine the disputed claims in question.

Article 42

The notice on lodged claims that contains data on creditors and the amount of lodged, recognised, partially recognised or disputed claims shall be posted on the bulletin board and website of the Central Bank and of the bank.

The notice referred to in paragraph 1 of this Article shall not contain the data that represent business secret of the bank.

g) Offsetting of claims

Article 42a

The bankruptcy administrator may offset mutual claims of the bank and its creditors that have occurred before passing an administrative decision on opening the bankruptcy proceedings.

6. Sales

Article 43

The bankruptcy administrator shall have the right to transfer a part or total assets and/or liabilities of the bank in bankruptcy proceedings to another bank or banks (hereinafter: another bank).

The transfer referred to in paragraph 1 of this Article shall be performed without approval of depositors and other creditors as well as without the approval of the debtors of the bank.

Taxes, contributions, fees, duties and other levies stipulated in the law shall not be paid for the transfer referred to in paragraph 1 of this Article.

Pursuant to the contract on transfer of assets and liabilities of the bank in bankruptcy proceedings to another bank, assets encumbered with mortgage or other rights in re may be transferred.

Assets referred to in paragraph 1 of this Article subject to the execution judgment or assets under the prohibition of disposals may not be transferred.

The value of assets and/or liabilities to be transferred to another bank shall be determined in the contract on transfer of assets and/or liabilities of the bank in bankruptcy proceedings to another bank.

The Council of the Central Bank shall approve transfer of assets and/or liabilities of the bank in bankruptcy proceedings to another bank in the form of approval of the proposed contract referred to in paragraph 6 of this Article.

The Council of the Central Bank may grant the approval under paragraph 7 of this Article if another bank, after the transfer of assets and/or liabilities of the bank in bankruptcy proceedings, may continue its operations in the manner which does not jeopardize the bank's financial condition and compliance of its business with this Law and regulations passed on the basis of this Law.

The bankruptcy administrator shall, within five working days following the transfer, inform bank's depositors, other creditors and debtors on the transfer of assets and/or liabilities executed in accordance with this Article.

Where the transfer of assets and/or liabilities has been performed along with the payment of the premium by another bank, the premium paid shall be included in the bankruptcy estate.

Article 44

The property of the bank that enters the bankruptcy estate shall be sold by public auction.

The bankruptcy administrator may, subject to a previously obtained consent of the bankruptcy board or in the event that the previous auction referred to in paragraph 1 of this Article was not successful or was not possible, perform the sale also by collecting the bids or by direct negotiation.

The initial price for the sale of the property shall be the price established by authorised appraiser, but such appraisal shall be non-binding as to determination of a minimum price.

The bankruptcy board shall give its consent for the venue, time and price of the sale including final approval of the sale itself, unless the sale has been performed by public auction.

Article 45

In any sale, the bankruptcy administrator should:

- 1) accomplish as favourable price as possible, in order to protect creditors of the bank;
- 2) secure equality of potential buyers;
- 3) disable any type of discrimination in the process of bidding and considering the bids.

Article 46

Once the bankruptcy board gives its consent, the decision on the sale shall be final.

The sale of the bank's assets may not be granted to the debtor of the bank who defaulted on its obligations toward the bank, which contributed to the occurrence of the conditions for opening the bankruptcy proceedings.

The bankruptcy administrator shall draw up, on quarterly basis, the report on the sale of assets, the balance of the bankruptcy estate and the amount of outstanding claims and post it on the bulletin board and website of the bank.

7. Settlement of creditors

a) Settlement of costs of proceedings

Article 47

The distribution of the bankruptcy estate may begin even before the liquidation of all of the property.

Before the settlement of creditors begins, the bankruptcy administrator shall set aside from the bankruptcy estate the amount necessary for the payment of the bankruptcy proceeding costs.

Earnings of the bank's employees and damage compensations for injuries at work received before the occurrence of legal effects of opening of the bankruptcy proceedings shall be settled as the costs of the bankruptcy proceedings.

b) Priority ranking

Article 48

The claims of the creditors of the bank shall be paid according to the following priority ranking:

- 1) secured claims up to the amount of their respective collaterals, less any reasonable costs of sale;
- 2) claims of the Central Bank arising from the loans granted to the bank or other liabilities of the bank incurred during the temporary administration, resolution proceedings or the bankruptcy proceedings against the bank, in accordance with the law;
- 3) claims of the Deposit Protection Fund based on the paid covered deposits;
- 4) claims of natural persons and legal persons classified as micro, small and medium-sized enterprises under the law governing the accounting, based on the following:
 - a) eligible deposits which exceed the level of covered deposits;
 - b) deposits which would be eligible deposits were they not made through branches established by the bank:
 - located in a non-EU Member State, and
 - located in a Member State until Montenegro's accession to the European Union;
- 5) claims based on eligible deposits not covered under the provisions of items 3) and 4) of this paragraph;
- 6) claims of other creditors, other than the creditors referred to in items 7) to 14) of this paragraph;
- 7) claims of persons that have direct or indirect share of 10% or more in capital or voting rights in that bank;
- 8) claims arising from bonds and other forms of transferrable debt and instruments creating or acknowledging a debt (hereinafter: debt instruments) that in accordance with the law governing the resolution of credit institutions do not meet the requirements for eligible liabilities for the purpose of meeting minimum requirements for own funds capital and eligible liabilities, where:
 - a) an original contractual maturity of that instrument is of at least one year,
 - b) that instrument is not derivative instrument and does not contain embedded derivatives other than debt instruments:
 - with variable interest rates derived from broadly used reference rate,
 - that are not denominated in the domestic currency of the issuer provided that the principal, interest and their repayments are denominated in the same currency;
 - c) a contract on instrument and, where applicable, the prospectus related to the issuance of that instrument, contains a provision that the value of those instruments, when applying the bail-in tool, is reduced to the amount needed or their conversion into shares or other equity instruments is exercised, and that those claims will have lower priority ranking in the

bankruptcy proceedings in relation to the claims referred to in items 1) to 7) of this paragraph;

9) claims of debt instrument owners with which the bank meets, in accordance with the law governing the resolution of credit institutions, minimum requirements for own funds and eligible liabilities provided that the contract on that instrument and, where applicable, the prospectus related to the issuance of that instrument, contains a provision that the value of those instruments, when applying the bail-in tool, is reduced to the amount needed or their conversion into shares or other equity instruments is exercised, and that those claims will have lower priority ranking in the bankruptcy proceedings in relation to the claims referred to in items 1) to 7) of this paragraph;

10) claims arising from debt instruments whose owners are parent undertaking or shareholders of the bank whose contract on instrument and, where applicable, the prospectus related to the issuance of that instrument, contains a provision that those claims, in accordance with the law governing the resolution of credit institutions, meet the minimum requirements for own funds and eligible liabilities for the bank that is not a resolution entity;

11) claims based on subordinated debt that is not included in Additional Tier 1 capital and Tier 2 capital;

12) claims arising from instruments issued by the bank, which, in accordance with the law governing the operations and organisation of credit institutions, meet the requirements for Tier 2 capital instruments of the bank;

13) claims arising from instruments issued by the bank, which, in accordance with the law governing the operations and organisation of credit institutions, meet the requirements for Additional Tier 1 capital instruments of the bank;

14) claims arising from capital instruments issued by the bank, which, in accordance with the law governing the operations and organisation of credit institutions, meet the requirements for Common Equity Tier 1 capital instruments of the bank.

The claims from lower priority rankings shall be paid after the claims from the higher priority rankings are paid in full.

The claims from the same priority rankings shall be paid proportionately, unless there is sufficient amount of funds to be paid in full.

Where an instrument is only partially recognised as an own funds item, the claim arising from that instrument shall be treated fully as claim arising from the own funds item.

c) Main distribution

Article 49

The bankruptcy administrator shall draw up a draft of the main distribution that shall contain data on: the claims, creditors, amount of claims and amount of cash funds determined for distribution, priority ranking of claims and other data of importance for settling the creditors.

The draft of the main distribution shall be posted on the bulletin board and website in the Central Bank and in the bank.

An appeal against the draft of the main distribution may be lodged with the bankruptcy board within eight days following that of its publication.

After deciding on the appeals, the bankruptcy board shall approve the main distribution.

The bankruptcy administrator shall, in accordance with the approved main distribution, pass an administrative decision on the main distribution to be delivered to the creditors and the bankruptcy administrator shall execute payments to the creditors within 15 days following that of the adoption of the administrative decision.

8. Closing the bankruptcy proceedings

Article 50

When the bankruptcy board accepts the report of the bankruptcy administrator that all the operations are over, it shall propose to the Central Bank to pass an administrative decision on closing the bankruptcy proceedings.

The Council of the Central Bank shall adopt an administrative decision on closing the bankruptcy proceedings.

After the adoption of the administrative decision referred to in paragraph 1 of this Article, the bankruptcy administrator or the bankruptcy board shall deliver to the Central Bank for custody business books and documentation of the bank in respect of the completed bankruptcy proceedings.

Legally valid and binding administrative decision on closing the bankruptcy proceedings shall be published in the "Official Gazette of Montenegro" and delivered to the CRPS for the purpose of deleting the bank from that registry.

Article 51

Where the bankruptcy administrator, after opening the bankruptcy proceedings, determines that further conduct of the proceedings would cause non-proportional costs, the bankruptcy administrator shall stop further liquidation of bankruptcy estate and propose to the Council of the Central Bank to close the proceedings.

Any pending proceedings that are related to the bankruptcy proceedings shall be terminated.

IV WINDING-UP PROCEEDINGS

Article 52

The Council of the Central Bank shall pass an administrative decision on winding-up of the bank and appointment of the liquidator.

The administrative decision on winding-up of the bank shall be final.

The administrative decision on winding-up of the bank shall be delivered to the bank and to the CRPS.

An administrative dispute may be initiated against the administrative decision on winding-up of the bank before the competent court.

The competent court shall pass a decision on the dispute referred to in paragraph 4 of this Article within 30 days following the day of the dispute receipt.

Article 53

Deleted. (Law amending the Law on Bankruptcy and Winding-Up Proceedings of Banks a.k.a. Bank Bankruptcy and Liquidation Law, OGM 89/25)

Article 54

If, upon the completion of the winding-up balance sheet, it has been established that the conditions for opening the bankruptcy proceedings have been fulfilled, the liquidator shall submit such a proposal to the Central Bank.

In the case referred to in paragraph 1 of this Article, the actions carried out in the winding-up proceedings shall also apply in the bankruptcy proceedings.

Article 55

The provisions of this Law relating to the bankruptcy proceedings shall apply *mutatis mutandis* to the winding-up proceedings, unless otherwise specified by this Law.

The provisions of the bankruptcy proceedings governing the challenging of legal actions shall not be applied in the winding-up proceedings.

Article 56

If any funds have been left after the completion of winding-up proceedings, such funds shall be distributed among the bank's shareholders, in accordance with the memorandum of association and other relevant acts of the bank.

The claims of the creditors that have not been lodged by the day of distribution of the winding-up estate shall be settled, upon completion of the winding-up proceedings, by the persons in the favour of which the balance of the winding-up estate remaining after the main distribution has been paid, but only up to the amount of the value of the assets taken over.

The request for settlement of creditors referred to paragraph 2 of this Article must be submitted to the persons referred to in paragraph 2 of this Article no later than six months after the completion of the winding-up proceedings.

IVa VOLUNTARY WINDING-UP PROCEEDINGS

Article 56a

A bank intending to pass a decision on termination of operations of the bank shall, with the prior consultation with the Central Bank, draw up a voluntary winding-up plan, which evidences that the bank has assets in excess of its liabilities, and has at its disposal cash for deposit payout, in particular for the payout of covered deposits within seven working days following the day of the opening of the voluntary winding-up proceedings.

The bank shall submit to the Central Bank for approval a voluntary winding-up plan referred to in paragraph 1 of this Article no later than 90 days before the planned convening of the shareholders' meeting, where the decision to terminate the bank's operations shall be made.

The voluntary winding-up plan referred to in paragraph 2 of this Article shall be accompanied by the consent of the supervisory board to that plan.

The Central Bank shall, by way of an administrative decision, approve or deny the voluntary winding-up plan within 60 days following that of the submission of the voluntary winding-up plan.

The bank shall, as of the moment of the submission of the voluntary winding-up plan until the passing of the administrative decision referred to in paragraph 4 of this Article, dispose of assets with diligence of a prudent businessperson.

The Central Bank may, during the review of the voluntary winding-up plan, request the bank in writing to submit also additional information that the Central Bank deems necessary or return the voluntary winding-up plan to the bank to make necessary changes within the time limit the Central Bank so determines.

The time limit for rendering a decision referred to in paragraph 4 of this Article shall be terminated during the time limit referred to in paragraph 6 of this Article.

The Central Bank shall deny the voluntary winding-up plan in the cases where:

- 1) the bank has not met the conditions referred to in paragraph 1 of this Article;
- 2) it assesses that the implementation of the voluntary winding-up proceedings would threaten the creditors' rights;
- 3) it assesses that the implementation of the voluntary winding-up proceedings would jeopardise the stability of the financial system of Montenegro; or
- 4) it determines the existence of the reasons that would bring into question the implementation of the voluntary winding-up proceedings or the voluntary winding-up plan.

Following the approval of the voluntary winding-up plan by the Central Bank, the general shareholders' assembly of the bank shall pass a decision on the termination of bank's operations.

The decision referred to in paragraph 9 of this Article shall be delivered to the Central Bank without delay.

The decision of the general shareholders assembly on the termination of operations of the bank passed before the approval of the voluntary winding-up plan by the Central Bank shall be null and shall not create legal effect.

The Central Bank shall prescribe in more detail the conditions referred to in paragraph 1 of this Article and the method for drawing up a voluntary winding-up plan.

Article 56b

After the receipt of the decision on termination of the bank's operations, the Central Bank shall withdraw the license from the bank and at the same time pass an administrative decision on voluntary winding-up proceedings of the bank, which includes the appointment of the liquidator.

The liquidator shall notify the Central Bank once a month on the course of voluntary winding-up proceedings.

In the case the voluntary winding-up plan needs to be modified, the bank shall obtain prior authorisation from the Central Bank.

The provisions of this law governing the winding-up proceedings shall apply to the voluntary winding-up proceedings.

The voluntary winding-up of a bank shall not preclude the adoption of a reorganisation measure or the opening of bankruptcy proceedings.

The Central Bank may prescribe a more detailed content of the notification referred to in paragraph 2 of this Article.

IVb BANKRUPTCY AND WINDING-UP PROCEEDINGS WITH INTERNATIONAL ELEMENT

Article 56c

The provisions of Articles 56č to 56p of this Law shall apply to banks with head offices in Montenegro and their branches in another Member States, banks from another Member State and their branches in Montenegro, and branches of third-country banks in Montenegro only where that bank has branch in at least one Member State.

A Member State, within the meaning of paragraph 1 of this Article and Articles 56č to 56p of this Law, shall be the European Union Member State and a State signatory to the Agreement on the European Economic Area.

Third country, within the meaning of paragraph 1 of this Article and Articles 56č to 56p of this Law, shall be a foreign country other than the Member State.

A branch, within the meaning of paragraph 1 of this Article and Articles 56č to 56p of this Law, shall be an organisational part of the bank, without a legal person status, which carries out all or some of transactions inherent in the business of the bank.

Article 56č

The bankruptcy proceedings or winding-up proceedings against the bank with head office in Montenegro that has branches in a Member State shall be carried out in accordance with this law.

The bankruptcy proceedings or winding-up proceedings against the bank with the head office in a Member State, which has a branch in Montenegro, shall be carried out in accordance with the regulations of that Member State.

Article 56ć

Where a court or an administrative body or another competent authority of home Member State reaches a decision on opening of bankruptcy proceedings or winding-up proceedings against a bank that has a branch in another Member State, such proceedings shall also refer to that branch with the same legal effect against third parties as in the home Member State.

The decision referred to in paragraph 1 of this Article that has been implemented in the bank from another Member State that has branch in Montenegro, shall be recognised without limitation and produce legal effects on the territory of Montenegro and occur at the same time as the occurrence of legal effects in the home Member State.

Where a decision on opening of the bankruptcy proceedings or winding-up proceedings against a bank that has a branch in another Member State has been reached in Montenegro as home Member State, the Central Bank shall notify, without delay, the competent authority of the Member State in

which the branch operates of that decision and its legal effects before opening of the said proceedings, and where it is not possible, immediately after the opening of the said proceedings.

The bankruptcy proceedings or winding-up proceedings that has been opened in accordance with paragraph 3 of this Article shall also refer to the branch of that bank in another Member State with the same legal effect against third parties as in Montenegro.

Bankruptcy administrator or liquidator shall publish an extract from the administrative decision on opening of the bankruptcy proceedings or winding-up proceedings in the Official Journal of the European Union and two daily newspapers in each of the Member States in which a branch of that bank operates in the official language or official languages of those Member States.

Home Member State, within the meaning of this Law, shall be a Member State which issued a license to the bank.

Article 56d

The decision on withdrawing the license from the bank from another Member State that has a branch on the territory of Montenegro adopted in the case of opening of the bankruptcy proceedings or winding-up proceedings shall not prevent the branch of that bank in Montenegro from carrying on some of the activities insofar as that is necessary or appropriate for the purposes of bankruptcy or winding up proceedings.

Article 56dž

In the case referred to in Article 56c paragraph 3 of this Law, the bankruptcy administrator or the liquidator shall, without delay, individually notify known creditors who have their habitual residence, temporary residence or head office in other Member States.

The notification referred to in paragraph 1 of this Article shall in particular deal with time limits, the penalties laid down in regard to those time limits, the body empowered to accept the lodgement of claims, the content of the lodgement, and identification documents accompanying the lodgement.

The notification shall be provided in the official language of the Member State in which the creditor has its habitual residence, temporary residence, or head office on the template bearing, in addition to the data referred to in paragraph 2 of this Article, in all official languages of the European Economic Area the heading: "Invitation to lodge a claim and explanation of the claim. Time limits to be observed!".

Any creditor who has their habitual residence, temporary residence, or head office in another Member States shall be entitled to lodge their claim or submit observations relating to their claim in the official language or one of the official languages of that other Member State.

In the event referred to in paragraph 4 of this Article, the lodgement of their claim or the submission of observations on their claim shall bear the heading "Lodgement of claim" or "Submission of observations relating to claims" in Montenegrin language.

By way of derogation from paragraph 4 of this Article, upon the request of the bankruptcy administrator or liquidator, the creditors shall lodge the claim or submit observations relating to claims in Montenegrin language.

The Central Bank shall prescribe in more detail the manner of notifying the creditors and the template referred to in paragraph 3 of this Article.

Article 56d

The time limit for the lodgement of claims referred to in Article 56dž paragraph 2 of this Law shall be the time limit of 30 days following the day of the publication of the extract from the administrative decision on opening of the bankruptcy proceedings or winding-up proceedings in the Official Journal of the European Union.

Article 56e

Where an obligation has been honoured for the benefit of a branch in another Member State, when it should have been honoured for the benefit of the bank in bankruptcy proceedings or winding-up proceedings, the debtor honouring the obligation for the benefit of the bank in bankruptcy or winding-

up proceedings shall be deemed to have discharged it if he was unaware of the opening of that proceedings.

Where such an obligation is honoured before the publication provided for in Article 56c paragraph 4 of this Law has been effected, the debtor honouring the obligation shall be presumed, in the absence of proof to the contrary, to have been unaware of the opening of winding-up proceedings within the meaning of paragraph 1 of this Article.

Where the obligation is honoured after the public notification provided for in Article 56c paragraph 4 of this Law has been effected, the debtor honouring the obligation shall be presumed, in the absence of proof to the contrary, to have been aware of the opening of the bankruptcy or winding-up proceedings within the meaning of paragraph 1 of this Article.

Article 56f

Where the Central Bank intends to pass an administrative decision on initiating the bankruptcy proceedings or winding-up proceedings against the branch of a third-country bank, it shall notify, without delay, the competent authority of the home country of the third-country bank thereof and of its legal effects.

Where a bank referred to in paragraph 1 of this Article has a branch also in another Member State, the Central Bank shall also submit the notification referred to in paragraph 1 of this Article to the competent authority of that Member State if possible before opening of the bankruptcy proceedings or winding-up proceedings or otherwise immediately thereafter.

In the cases referred to in paragraphs 1 and 2 of this Article, the Central Bank shall cooperate with other competent authorities.

Home country of the third-country bank, within the meaning of paragraph 1 of this Article, shall be a country in which a bank has been issued a license.

Article 56g

The bankruptcy proceedings or winding-up proceedings that the judicial or administrative authority or another competent authority of the third country has opened against the third-country bank that has a branch in Montenegro or against the branch of the third-country bank in Montenegro shall produce without limitation legal effects on the territory of Montenegro against third parties and occur at the same time as the occurrence of legal effects in the third country.

By way of derogation from paragraph 1 of this Article, in the event of initiating bankruptcy proceedings or winding-up proceedings, the law in Montenegro shall apply for the following:

- 1) employment contracts and employment relationships;
- 2) contracts conferring the right to make use of or acquire immovable property within the territory of Montenegro, and for determining whether the property is movable or immovable, when situated within the territory of Montenegro, and
- 3) rights in respect of immovable property, a ship or an aircraft subject to registration in a public register or registries kept in Montenegro.

Article 56h

When opening bankruptcy proceedings or winding-up proceedings against a bank from the Member State, that operates or has a branch in Montenegro, the exclusive applicable law to:

- 1) employment contracts and relationships shall be the law of the Member State applicable to the employment contract;
- 2) contracts conferring the right to make use of or acquire immovable property and to determine whether an asset represents immovable or movable property shall be the law of the Member State within the territory of which that property is situated;
- 3) rights in respect of immovable property, a ship or an aircraft subject to registration in a public register shall be the law of the Member State under the authority of which the register is kept.

Article 56i

The opening of bankruptcy or winding-up proceedings shall not affect the rights in re of creditors or third parties in respect of tangible or intangible, movable or immovable assets, both specific assets and collections of indefinite assets as a whole which change from time to time, belonging to the bank which are situated within the territory of Montenegro or another Member State at the time of the opening of bankruptcy or winding-up proceedings.

The rights referred to in paragraph 1 of this Article shall in particular mean:

- 1) the right to dispose of assets or have them disposed of and to obtain satisfaction from the proceeds of or income from those assets, in particular by virtue of a lien or a mortgage;
- 2) the right to demand the assets from, or to require restitution by, anyone having possession or use of them contrary to the wishes of the person so entitled;
- 3) the exclusive right to have a claim met, in particular a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of a guarantee;
- 4) a right in re to the beneficial use of assets.

The right, recorded in a public register and enforceable against third parties, under which a right in re within the meaning of paragraph 1 of this Article may be obtained, shall be considered a right in re.

The provision of paragraph 1 of this Article shall not preclude the actions for voidness or voidability if permitted by the regulations of the home Member State.

Article 56j

The opening of bankruptcy proceedings or winding-up proceedings against a bank from Montenegro or another Member State purchasing an asset shall not affect the seller's rights based on a reservation of title where at the time of the opening of such proceedings the asset is situated within the territory of a Member State other than the State in which the bankruptcy proceedings or winding-up proceedings were opened.

The opening of bankruptcy proceedings or winding-up proceedings against a bank from Montenegro or another Member State selling an asset, after delivery of the asset, shall not constitute grounds for rescinding or terminating the sale and shall not prevent the purchaser from acquiring title where at the time of the opening of bankruptcy proceedings or winding-up proceedings the asset sold is situated within the territory of a Member State other than the State in which bankruptcy proceedings or winding-up proceedings were opened, provided that the delivery of that asset has been made.

The provisions of paragraphs 1 and 2 of this Article shall not preclude the actions for voidness or voidability if permitted by the regulations of the home Member State.

Article 56k

The opening of bankruptcy proceedings or winding-up proceedings shall not affect the right of creditors to demand the set-off of their claims against the claims of the bank, where such a set-off is permitted by the law applicable to the bank's claim.

The provision of paragraph 1 of this Article shall not preclude the actions for voidness or voidability if permitted by the regulations of the home Member State.

Article 56l

Set-off contracts and netting agreements in the bankruptcy or winding-up proceedings shall be governed solely by the law applicable to such contracts and agreements.

Repurchase agreements in the bankruptcy or winding-up proceedings shall be governed solely by the law applicable to such agreements.

The provision of paragraph 1 of this Article shall not affect the implementation of the law governing the resolution of credit institutions in respect of the exclusion of certain contractual terms in resolution and powers of interim suspension of the right to terminate the contract.

The transactions executed in a regulated market shall be governed solely by the law of the contract which governs such transactions.

Article 56lj

Where the bankruptcy administrator or liquidator is appointed in a bank of that country, the bankruptcy administrator or liquidator's appointment shall be evidenced in Montenegro by a certified copy of the original decision appointing them or by any other certificate issued by the administrative or judicial authority or another competent authority of the Member State, and the Central Bank may require a translation of that decision or certificate into Montenegrin language without legalisation or other similar formality.

The bankruptcy administrator or liquidator referred to in paragraph 1 of this Article shall be entitled to exercise within the territory of Montenegro all the powers which they are entitled to exercise within the territory of the Member State and may also appoint persons to assist and represent them.

Persons referred to in paragraph 2 of this Article shall comply with the regulations of Montenegro, in particular with regard to procedures for the liquidation of assets and the provision of notification to employees of the bank against which the bankruptcy proceedings or winding-up proceedings were opened.

The powers of the bankruptcy administrator or liquidator may not include the use of force or the right to rule on legal proceedings or disputes.

Article 56m

The opening of the bankruptcy proceedings or winding-up proceedings in another Member State shall be registered, at the request of the bankruptcy administrator or liquidator or any administrative or judicial authority of the Member State, in Montenegro in the CRPS, real estate land register or any other appropriate registers.

Where a bankruptcy proceedings or winding-up proceedings has been opened in Montenegro as home country, the bankruptcy administrator or liquidator shall propose the registration of opening the bankruptcy proceedings or winding-up proceedings in all Member States in which the bank under the bankruptcy proceedings or winding-up proceedings has branch or in which it offers its services.

The costs of registration referred to in paragraphs 1 and 2 of this Article shall be regarded as costs and expenses incurred in the bankruptcy proceedings or winding-up proceedings.

Article 56n

Where a bank from Montenegro or another Member States, after the opening of bankruptcy proceedings or winding-up proceedings, settles claims by the sale of immovable property, the validity of that act shall be governed by the law of the Member State where such property is situated.

Where a bank from Montenegro or another Member States, after the opening of bankruptcy proceedings or winding-up proceedings, settles claims by the sale of a ship or an aircraft, or financial instruments or rights in such instruments the existence and transfer of which presupposes their being recorded in a register, an account or a centralised deposit system, the validity of that act shall be governed by the law of the Member State under the authority of which that register, account or deposit system is kept.

Article 56nj

In the bankruptcy proceedings or winding-up proceedings against a bank with the head office in Montenegro the rules relating to the voidness or voidability of legal acts detrimental to the creditors as a whole shall not apply, where the beneficiary of these acts provides proof that:

- 1) the act detrimental to the creditors as a whole is subject to the law of another Member State other than Montenegro, and
- 2) that law of another Member State does not allow any means of challenging that act .

Article 56o

The pending lawsuit concerning an asset or a right of which the bank has been divested shall be governed solely by the law of the Member State in which the lawsuit is pending.

Article 56p

All persons required to receive or divulge information in connection with Articles 56c to 56o of this Law shall maintain data and information representing the banking secret, in accordance with the law governing the operations of credit institutions.

The provision of paragraph 1 of this Article shall not apply in the case of the obligation to keep confidential information prescribed by the law governing the resolution of credit institutions..

V PENALTY PROVISIONS

Article 57

A pecuniary penalty in the amount ranging from EUR 500 to EUR 1,000 euros shall be imposed for a misdemeanour on the bankruptcy administrator where they fail to: secure the bank's assets; update the bank's business books, book-keeping and other documentation of the bank until the day of opening of the bankruptcy proceedings; submit to the Deposit Protection Fund data, and if needed, documentation required for the calculation and pay-out of covered deposits in accordance with the law governing the deposit protection, make an inventory list of the bank's assets; draw up initial bankruptcy balance sheet; take care of collecting the bank's claims; draw up report of the bank's financial condition; pass a decision on lodged creditors' claims, including Deposit Protection Fund's claims based on covered deposits pay-out; undertake measures to liquidate the bank's assets; draw up the draft of the main distribution, or draw up closing bankruptcy balance sheet or ensure maintaining of banking information and documentation, including information of beneficial owners of the banking accounts, during the bankruptcy proceedings, in accordance with the law (Article 13).

Article 58

A pecuniary fine in the amount ranging from EUR 500 to EUR 1,000 euros shall be imposed for a misdemeanour on the liquidator where they fail to: secure the bank's assets; update the bank's business books, book-keeping and other documentation of the bank until the day of opening of the winding-up proceedings; make an inventory list of the bank's assets; draw up opening winding-up balance sheet; take care of collecting the bank's claims; draw up report of the bank's financial condition; undertake measures to liquidate the bank's assets; draw up the draft of the main distribution or draw up closing winding-up balance sheet or ensure maintaining of banking information and documentation, including information of beneficial owners of the banking accounts, during the winding-up proceedings, in accordance with the law (Article 55 paragraph 1 read in conjunction with Article 13).

A pecuniary fine in the amount ranging from EUR 500 to EUR 1,000 euros shall be imposed for a misdemeanour on the liquidator where they fail to submit to the Central Bank a proposal for carrying out the bankruptcy proceedings when the conditions for that have been fulfilled (Article 54).

VI TRANSITIONAL AND FINAL PROVISIONS

Article 59

The bankruptcy proceedings or winding-up proceedings commenced after the day the Central Bank of Montenegro Law and the Banking Law have entered into force shall be completed in line with the provisions of this Law.

Article 59a

The bankruptcy proceedings or winding-up proceedings commenced until the day this Law has entered into force shall be completed in line with the provisions of the law pursuant to which they have been commenced.

Article 59b

The powers of management bodies and the chief executive officer of the bank specified in the Bank Bankruptcy and Liquidation Law (OGRM 47/01 and OGM 62/08, 44/10) referred to in Article 13 paragraph 1, Article 16 paragraph 4, Article 28 paragraph 1, Article 30 and Article 53 paragraph 1 of this Law shall apply until the beginning of duties of supervisory board and the management board of the credit institution in accordance with the law governing the operations and organisation of credit institutions.

Article 59c

The provision of Article 48 paragraph 2 of this Law shall apply as of the date of application of the law governing the operations and organisation of credit institutions, when Article 48 paragraph 1 of the Bank Bankruptcy and Liquidation Law (OGRM 47/01 and OGM 62/08, 44/10) shall cease to apply.

Article 59č

The priority rankings of claims that have been in force as of the day the bankruptcy proceedings or winding-up of banks were commenced shall apply to the priority rankings of claims commenced before and up to the day of entering into force of this Law.

Article 59ć

General acts for implementation of this Law shall be passed within 12 months as of the date of this Law enters into force.

Article 59d

The provisions of Articles 56c to 56p of this Law shall be applied as of the Montenegro's European Union accession date.

Article 59dž

The bankruptcy proceedings commenced until the day this Law has entered into force shall be completed in line with the provisions of the law pursuant to which they have been commenced.

By way of derogation from paragraph 1 of this Article, the provisions of Article 17 paragraph 6 and Article 50 paragraph 3 of this Law shall also apply to the bankruptcy proceedings referred to in paragraph 1 of this Article as of the date of this Law enters into force.

Article 60

As of the entry into force of this Law, Chapter VIII "Bankruptcy" and the provisions of Articles 79-87 and Chapter IX "Liquidation" and the provisions of Articles 88-91 of the Banking Law (OGRM 52/2000) shall be repealed.

Article 61

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

* This Law transposes the Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions, and includes the amendments passed adopting the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council.