

17 Annex - Economic and monetary policy

136. BANK BANKRUPTCY AND LIQUIDATION LAW

BANK BANKRUPTCY AND LIQUIDATION LAW

(Official Gazette of the Republic of Montenegro 47/01, Official Gazette of Montenegro 62/08 of 15 October 2008)

I. BASIC PROVISIONS

Article 1

This Law governs the conditions and procedures of bank bankruptcy and liquidation.

Article 2

The bankruptcy proceedings shall be enforced on a bank in the case of its permanent disability to fulfil its obligations and in other cases regulated by this law.

The liquidation proceedings shall be enforced on a bank the authorized body of which has passed a decision on the cease of bank's operation, as well as on a bank the license of which has been revoked by the Central Bank of Montenegro (hereinafter referred to as the Central Bank).

Article 3

The bankruptcy proceedings and liquidation proceedings over a bank shall be commenced and conducted by the Central Bank.

Obligations arising from the bankruptcy proceedings shall be settled against the bankruptcy pool of assets.

PROCESS PROVISIONS

Article 4

The decisions in the bankruptcy and liquidation proceedings shall be made in form of resolutions and conclusions.

Article 5

The conclusions shall be used to issue an order to the Bankruptcy Administrator or Liquidation Administrator for the performance of individual actions, and resolutions will be used in deciding in all other cases.

An objection against the conclusion is not allowed.

Article 6

The resolutions passed in the bankruptcy or liquidation proceedings shall be posted on a bulletin board of the Central Bank, the bank in bankruptcy or liquidation and its parts (hereinafter referred to as the bank) and the Registration Court.

An administrative dispute may be taken against the final resolution in the bankruptcy proceedings, before the Supreme Court.

BANKRUPTCY PROCEEDINGS

Article 7

Deputy General Director for Banking Supervision in the Central Bank (hereinafter referred to as: the Deputy General Director) shall issue orders and instructions to authorised employees of the Central Bank in order to provide necessary data for passing decisions on commencing the bankruptcy proceedings, and shall, subject to the prior approval of the Council of the Central Bank of Montenegro (hereinafter: the Council), pass the decisions on commencing and closing the bankruptcy proceedings and perform other duties in accordance with this law.

Article 8

If the conditions have been created, as prescribed by this Law, for commencing the bankruptcy proceedings, and the proceedings have not been commenced, or the Deputy General Director has not enacted the resolution on commencing the bankruptcy proceedings, the resolution shall be enacted by the President of the Council, with prior consent of the Council.

Besides enacting the resolution referred to in paragraph 1 above, President of the Council may undertake, in the bankruptcy proceedings, any other actions that are the responsibility of the Deputy General Director in the event that the Deputy General Director fails to undertake them.

1. Bankruptcy Administrator

Article 9

Bankruptcy Administrator shall be appointed by a resolution on commencing bankruptcy proceedings.

The Bankruptcy Administrator is a body of the Central Bank in the bankruptcy proceedings and shall decide by enacting administrative decisions.

When accepting his duties and responsibilities, the Bankruptcy Administrator shall make a written statement to the Bankruptcy Board to the effect that he shall perform such duties in a conscientious manner.

Article 10

The Bankruptcy Administrator shall be appointed from the list of Bankruptcy Administrators approved by the Council.

A person with expertise 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 person:

- 1) was convicted for 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 member of the bank bodies or is 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 Deputy General Manager, due to performing his duties in a non-conscientious or non-professional 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 in the following cases:

- 1) If it has been subsequently determined that he does not fulfil the conditions specified in Article 10 above,
- 2) If the existence of the reasons specified in Article 11, due to which he could not have been appointed at all, has been subsequently determined;
- 3) If he performs his duties in a non-professional and non-conscientious manner;
- 4) If he becomes permanently incapable of performing his duties;
- 5) If he submits a request for such release.

In the case that he submits the request for being released of duty, the Bankruptcy Administrator shall have the obligation to perform his duties until the new Bankruptcy Administrator is appointed.

Article 13

The Bankruptcy Administrator shall assume the rights and obligations of the bank management and administration bodies, 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 proceeding expenses;
- 3) Update business books, accounting and other documentation of the bank till the day of the commencement of the bankruptcy proceedings;
- 4) Perform the Inventory of the bank's assets;
- 5) Prepare the initial 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;
- 8) Pass a decision on the filed claims of the creditors;
- 9) Transfer into cash the bank's property that will be part of the bankruptcy pool of assets;
- 10) Compile the draft of the main distribution;
- 11) Prepare the closing bankruptcy balance sheet.

Article 14

The Bankruptcy Administrator shall be directly responsible to each participant in the bankruptcy proceedings for any damage caused to that participant intentionally or by extreme carelessness.

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 Deputy General Director.

Article 16

During the performance of the duties of a Bankruptcy Administrator, the rights and obligations to which the person appointed as Bankruptcy Administrator has been entitled on the basis of his employment shall remain frozen in the body, organisation or with the employer where he 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 under the labour relation (employment) in the bank until his/her return to the body, organisation or employer referred to in paragraph 1 above.

The Bankruptcy Administrator shall be entitled to a salary that shall be determined in the resolution on his appointment.

The Bankruptcy Administrator may be awarded special remuneration proportionally to the accomplished results, which is set by Deputy General Director under the approval of the Council.

The salary and special remuneration for the Bankruptcy Administrator, compensations to experts hired by him 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 is a body of the Central Bank in bankruptcy proceedings and shall decide by enacting administrative acts.

The Bankruptcy Board shall have five members appointed by the Council.

A person who fulfils all the conditions for the Bankruptcy Administrator laid down in Article 10 above may be appointed as member of the Bankruptcy Board.

Member of the Bankruptcy Board shall be released of duty for the reasons stated in Article 12 above.

Member of the Bankruptcy Board shall have the right to compensation in the amount set by the Council.

Article 18

The Bankruptcy Board shall supervise the performance of the Bankruptcy Administrator, give instructions for the conduct of the bankruptcy procedure, decide on appeals against decisions made by the Bankruptcy Administrator, provide information to the Deputy General Director as

needed and upon request, propose the release of duty of Bankruptcy Administrator, give his approval and perform other duties in accordance with this law.

3. Commencing the Bankruptcy Proceedings

Article 19

The bankruptcy proceedings shall be commenced:

- 1) When the measures taken against the bank in accordance with the Law on Banks (Official Gazette of the Republic of Montenegro 52/2000) have not resulted in rehabilitation of the bank;
- 2) When the bank is insolvent in accordance with provisions of the Law on Banks;
- 3) When the bank becomes illiquid for longer than 90 days, without any interruption, or 90 days with interruptions within 120 days.

The existence of the conditions for commencing the bankruptcy proceedings shall be determined by Deputy General Director, who shall, subject to the prior approval of the Council, pass the resolution on commencing the bankruptcy proceedings.

Article 20 (Official Gazette of Montenegro 62/08)

The resolution on commencing the bankruptcy proceedings shall be final.

Article 21

During the bankruptcy proceedings, only the bank's operations that are in the interest of creditors may proceed, excluding accepting new deposits and granting loans.

Article 22

Deputy General Director may decide, subject to the prior approval of the Council, to commence and close the bankruptcy proceedings when he establishes that the property of the bank is insufficient, or of insignificant amount, to cover the expenses of the proceedings.

The Council may decide, upon the proposal of Deputy General Director that the expenses of the bankruptcy proceedings be covered, for the time being, against the funds of the Central Bank, with the Central Bank having the right to reimbursement after the bankruptcy pool of assets has been formed.

Article 23

Creditors shall be informed on commencing the bankruptcy proceedings by way of a notice.

The notice referred to in paragraph 1 above shall be simultaneously posted on the bulletin boards in the Central Bank, the bank and the registration court.

The notice referred to in paragraph 1 above shall be published in the Official Gazette of the Republic of Montenegro, in the media and on the web site of the Central Bank.

The resolution on commencing the bankruptcy proceedings shall be submitted to the bank, correspondent banks, registration court and public prosecutor.

Article 24

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

- 1) Name and head office of the Central Bank;
- 2) Name of the Deputy General Director who passed the resolution;
- 3) Extract from the resolution on commencing the bankruptcy proceedings;
- 4) Name of the Bankruptcy Administrator, with necessary details;
- 5) Invitation to creditors to file their claims with supporting evidences to the Bankruptcy Administrator within 30 days from the day of publication of the notice in the Official Gazette of the Republic of Montenegro, warning them also that the claims not filed in a timely manner shall be rejected;
- 6) Invitation to debtors to settle their debts without delay and
- 7) The date as of which the notice was posted on the bulletin board.

4. Legal Effects of Commencing the Bankruptcy Proceedings

a) The Time of Coming into Force

Article 25 (Official Gazette of Montenegro 62/08)

Legal effects of commencing the bankruptcy proceedings shall come into force as of the beginning of the day when the notice on commencing the bankruptcy proceeding has been posted on the bulletin board in accordance with Article 23, paragraph 2 above.

The moment the payment system operator with which the bank, which is in the bankruptcy proceedings, has the account receives the decision on commencing the bankruptcy proceedings, the payment system operator will block all bank's accounts and forbid bank's to manage all of its monetary funds.

Account blockade referred to in paragraph 2 of this Article shall not refer to monetary or other funds that may serve for the fulfilment of obligations in the payment system according to the orders received by the moment of reception of the decision referred to in paragraph 2 of this Article.

If the resolution on commencing the bankruptcy proceeding has been cancelled by a competent authority based on an objection or an appeal, and in renewed proceedings the bankruptcy proceeding has been initiated again, the legal effects of commencing the bankruptcy proceedings shall come into force as of the beginning of the day when the first decision was posted on the bulletin board.

b) Bankruptcy Pool of Assets

Article 26 (Official Gazette of Montenegro 62/08)

The bankruptcy pool of assets shall be formed as of the day of commencing the bankruptcy proceedings.

The bankruptcy pool of assets shall consist of all of the bank's movable, immovable, material and immaterial property, wherever it is, all of the bank's claims, all contractual rights, all intellectual rights and other rights acquired under the law.

Notwithstanding paragraph 2 of this Article, bankruptcy pool of assets shall not include bank's assets or the right (collateral) which the bank pledged in order to secure loans for the fulfilment of the obligations in the payment system which it took over from the other participant in the payment system.

c) Debtor's Accounts and Company

Article 27 (Official Gazette of Montenegro 62/08)

On the day of commencing the bankruptcy proceedings, all bank's accounts shall be closed and powers of the persons authorised to manage 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.

The cessation of the powers of persons authorised to manage bank's assets under paragraph 1 of this Article shall not refer to the payment system participant referred to in article 26 paragraph 3 of this law.

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

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

d) Transfer of Functions

Article 28

Powers and responsibilities of managing and governing bodies of the bank, representatives and procurators shall cease to exist and shall be transferred to the Bankruptcy Administrator as of the day of commencing the bankruptcy proceedings.

e) Labour Relations

Article 29

Labour relations for all the bank employees shall terminate as of the day of commencing the bankruptcy proceedings.

Employees that will have their labour relations terminated shall exercise their rights in accordance with the general regulations on labour relations.

In order to complete the operations in accordance to Article 21 above and for the purpose of increasing the bankruptcy pool of assets and preventing the detrimental consequences for the bank and creditors, the Bankruptcy Administrator may, without consent of the Council, employ up to 10% of the number of employees that the bank had before the day of commencing the bankruptcy proceedings.

The persons referred to in paragraph 3 above shall have the right to salary in the amount determined by the Bankruptcy Administrator, subject to the consent of the Bankruptcy Board.

Payment of the salaries referred to in paragraph 4 above shall be made at the expense of the bankruptcy proceedings costs.

Article 30

Members of the bank's management bodies, General Manager and other employees, although their function, i.e., employment with the bank has been terminated, shall provide to the Bankruptcy Administrator all necessary data and information until the bankruptcy proceedings have been closed or until released of that obligation by the Bankruptcy Board.

e) Interest

Article 31

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

f) Validity of Contracts

Article 32

The contracts entered into with the bank before commencing the bankruptcy proceedings shall remain valid, unless the Bankruptcy Administrator, with consent of the Bankruptcy Board, notifies the other side of giving up the contract within 90 days as of the day that legal consequences of the commencing the bankruptcy procedure have come into force.

If the Bankruptcy Administrator gives up the contract, the other contractual party may only claim compensation of actual damages, as a bankruptcy creditor, following the priority list 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.

Cancelling the lease contract referred to in paragraph 1 above shall not interfere with the right of the other contractual party for damages in accordance with Article 32, paragraph 2, above.

g) Refutation of Legal Actions

Article 34

The Bankruptcy Administrator and creditors shall have the right to refute 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 commencing the bankruptcy proceedings have come into force, before the Commercial Court.

The Bankruptcy Administrator must initiate the refutation proceedings for any legal actions that involve:

- 1) Transactions for the bank management, bank's major shareholders or holders of significant interest in the bank or with persons related to them, under preferential terms or conditions out of business policy of the bank;
- 2) fictitious legal operations that prevent payments to the bank creditors.

The lawsuit to refute legal actions may be filed within not later than 6 months following the day the legal effects of the bankruptcy proceedings have come into force.

h) Executions and Security

Article 35

All pending lawsuits against the bank shall be dismissed on the day of commencing bankruptcy proceedings. The creditors must 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 this Law.

Article 36

On the day of commencing the bankruptcy proceedings, no security can be executed against the bank nor can enforced collection be performed for the purpose of settlement of claims in respect of which there is an enforcement decision.

Any proceedings related to security execution and enforcement referred to paragraph 1 shall be terminated.

No new lien or other encumbrances may attach on the bank's property during the bankruptcy proceedings.

Article 37

No settlement of the creditors' claims and the bank's counterclaims is permitted in the bankruptcy proceedings.

Article 38

The property that is not the ownership of the bank must be turned over to its owners by the Bankruptcy Administrator within a reasonable time.

5. Deciding on Claims

a) Filing of Claims

Article 39

The creditors shall file their claims with supporting evidence with the Bankruptcy Administrator within 30 days following the day of commencing the bankruptcy proceedings, i.e. within 30 days from the notice published in the Official Gazette of the Republic of Montenegro.

The claims filed after the deadline specified in paragraph 1 above shall be rejected as untimely.

The claims from the bank's business records shall be considered filed.

The claims identified by a final and enforceable court decision before the bankruptcy proceedings have commenced shall be considered filed.

b) Examination of Claims

Article 40 (Official Gazette of Montenegro 62/08)

The Bankruptcy Administrator shall examine the filed claims of creditors.

The Bankruptcy Administrator shall decide on the filed claims within 30 days from the day of expiration of the time for their filing.

Notwithstanding paragraph 2 of this Article, claims of the participants in the payment system, referred to in Article 26 paragraph 3 of this Law and rights thereof shall be determined by the bankruptcy administrator within 24 hours upon reception of duties, of which he shall enact a special decision.

Exceptionally, the time limit specified in paragraph 2 above may be extended for another 30 days by way of decision of the Bankruptcy Board, upon the proposal of the Bankruptcy Administrator.

b) Decisions and Appeals over the Filed Claims

Article 41

The Bankruptcy Administrator shall deliver the decisions on the filed claims to the creditors before the time limits set out in Article 40 of this Law expire, at the latest.

An appeal against the decision referred to in paragraph 1 above may be lodged with the Bankruptcy Board within 8 days following the day of receipt of the decision.

The Bankruptcy Board shall decide on the appeal referred to in paragraph 2 above within 8 days following the day of the receipt of the appeal.

The appealing party shall have a right to bring proceedings against the Bankruptcy Board's decision set forth in paragraph 3 above or if the Bankruptcy Board fails to make its decision within the prescribed time, before the Supreme Court, within 8 days as of the day of reception of the Bankruptcy Board's decision or as of the day of expiry of the deadline for making decision, in order to determine the disputed claims in question.

Article 42

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

The Notice referred to in paragraph 1 above shall not contain the data that represent business secret of the bank.

6. Sales

Article 43

The Bankruptcy Administrator may decide, with the consent of the Council and in the manner prescribed in Article 44 of this Law, to put on sale the bank or its part, which has a capacity of a legal person.

Bankruptcy Administrator may present confidential data to prospective buyer when it is in the interest of a sale, under the condition that prospective buyer sign the statement on keeping the business secret.

The sale of the bank as a legal person, or of its part, that has a capacity of a legal person, may be performed only when such a sale may lead to more favourable conditions for the settlement of creditors.

After the sale of the bank or its parts in accordance with provisions of this article, the bankruptcy proceedings for the settlement of creditors relating to the bank or such part shall be stopped and the bankruptcy proceedings against the bankruptcy pool of assets represented by the Bankruptcy Administrator shall continue.

Article 44

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

The Bankruptcy Administrator may, subject to a previously obtained approval of the Bankruptcy Board, perform the sale also by collecting the bids or by direct sale.

The starting bid price for the sale of the property shall be the price established by authorized appraiser, but such appraisal shall be non-binding as to minimum price.

The Bankruptcy Board shall give its approval of the place, time and price of the sale including approval of the final 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 depositors and other creditors of the bank;
- 2) Secure equality of potential buyers;
- 3) Disable any type of discrimination in the process of bidding and considering the offers

Article 46

Once the Bankruptcy Board gives its consent, the decision on the sale shall be final.

The sale of the bank, its part or its assets, may not be granted to the borrower of the bank who defaulted on its obligations toward the bank, which contributed to the occurrence of the conditions for initiating the bankruptcy proceedings.

7. Settling the Creditors

a) Settling the Costs of the Proceedings

Article 47

The distribution of the bankruptcy pool of assets may begin even if all the property has not been transferred into cash.

Before the settlement of creditors begins, the Bankruptcy Administrator shall set aside from the bankruptcy pool of assets the amount necessary for payment of the bankruptcy proceeding costs.

Earnings of the bank's employees in the amount of guaranteed salaries and damages for injuries at work won before the day when legal effects of commencing the bankruptcy proceedings came into force, shall be settled as the costs of the bankruptcy proceedings.

b) Settling the Creditors

Article 48

The bank's creditors claims shall be paid according to following priority list:

- 1) Secured claims up the amount of their respective securities, less any reasonable costs of sale;
- 2) Debts to the Central Bank under the loans granted to the bank or other obligations of the bank created during Interim Administration or the procedure of closing the bank in accordance with this Law;
- 3) Demands from depositors (natural and legal persons) up to the amount of DEM 5,000 per depositor;
- 4) Other deposits, including deposits of natural and legal persons above DEM 5,000 per depositor;
- 5) Claims of other creditors,
- 6) Claims of the bank shareholders.

Payments to a lower priority shall only be made when higher priority claims have been paid in full.

Claims within the same priority shall be paid pro-rata, if sufficient funds do not exist for payment in full.

c) Main Distribution

Article 49

The Bankruptcy Administrator shall prepare a draft of the main distribution that shall contain data on the claims, creditors, amount of claims and amount of monetary funds determined for distribution, the schedule of claims priorities and other data of importance for settling the creditors.

The draft of the main distribution shall be publicized by being displayed on the bulletin board 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 8 days as of the day of its publication.

After deciding on the appeals, the bankruptcy Board shall approve the draft for the main distribution.

On the basis of the approved the main distribution, the Bankruptcy Administrator shall make a ruling on the main distribution that shall be delivered to the creditors and he must execute payments to the creditors within 15 days from the day of making the ruling.

8. Closing the Bankruptcy Proceedings

Article 50

When the Bankruptcy Board accepts the report of the Bankruptcy Administrator on the completion of all operations, it shall propose to the Deputy General Director, upon prior consent of the Council, to close the bankruptcy proceedings.

The resolution of the Deputy General Director on closing the bankruptcy proceedings shall be final.

Final and enforceable resolution on closing the bankruptcy proceedings shall be published in the Official Gazette of the Republic of Montenegro and delivered to the Registration Court for the purpose of deletion from the court registry.

Article 51

If the Bankruptcy Administrator, after commencing the bankruptcy proceedings, determines that further conduct of the proceedings would cause non-proportional costs, he shall stop further conversion of the bankruptcy pool of assets into cash and propose to the Deputy General Director to close the proceedings with prior consent of the Council.

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

IV. TERMS AND PROCEDURE OF LIQUIDATION

Article 52

On the basis of the decision of a competent body of the bank on the termination of the bank's operations, as well as on the basis of the final resolution of the Council of the Central Bank on revoking the license to the bank, the Deputy General Director shall pass a resolution on the bank liquidation, by which he shall also appoint the Liquidation Administrator.

The resolution on the bank liquidation shall be final.

The resolution on the bank liquidation shall be delivered to the bank and to the Registration Court.

Article 53

General Manager of the bank, the authorised body of which has passed the decision on the termination of operation, shall submit such decision to the Central Bank on the next day following the day it was passed.

Article 54

If, upon the completion of the liquidation balance sheet, it has been established that the conditions for instituting bankruptcy proceedings have been fulfilled, the Liquidation Administrator shall submit such a proposal to the Deputy General Director.

In the case referred to in paragraph 1 above, the actions carried out in the liquidation proceedings shall apply in the bankruptcy proceedings as well.

Article 55

The provisions of this Law relating to the bankruptcy proceedings shall accordingly apply to the liquidation proceedings, unless otherwise determined by this Law.

The provisions of the bankruptcy proceedings governing the refutation of legal actions shall not be applied in the liquidation proceedings.

Article 56

If any funds have been left after the liquidation proceedings are completed, such funds shall be distributed among the bank shareholders, on the basis of the bank's charter and other relevant acts.

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

Such claims referred to paragraph 2 above must be submitted to the Liquidation Administrator within not later than 6 months after the completion of the liquidation proceedings.

V. PENALTY PROVISIONS

Article 57

Pecuniary fine from fifteen-fold to twenty-fold amount of the minimal wage in the Republic shall be imposed on the Bankruptcy Administrator for violation if he fails to: secure the bank's assets; update the bank's business books; book-keeping and other documentation until the day of commencing the bankruptcy proceedings; make an inventory list of the bank's assets; compose opening balance sheet, take care of collecting the bank's claims; compose report on the bank's financial condition; undertake measures on transforming the bank's assets into cash; compose the draft of the main distribution or compose closing bankruptcy balance sheet (Article 13).

Article 58

Pecuniary fine from fifteen-fold to twenty-fold Liquidation Administrator for violation if he fails to submit to the Deputy General Manager a proposal for carrying out bankruptcy proceedings when the conditions for that have been fulfilled (Article 54 above).

VI. TRANSITIONAL AND FINAL PROVISIONS

Article 59

The bankruptcy or liquidation proceedings that have commenced after the date the Law on the Central Bank and the Law on Banks came into force, shall be finalized under the provisions of this Law.

Article 60

Chapter VIII Bankruptcy" and provisions of Articles 79-87), and Chapter IX Liquidation and provisions of Articles 88-91 of the Law on Banks (Official Gazette of the Republic of Montenegro 52/00) shall cease to be valid on the day of entry into force of this Law.

Article 61

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