



MONTENEGRO

Capital Market Authority

Pursuant to Article 154 paragraph 3, Article 212 paragraph 6 and Article 371 paragraph 2 of the Law on Capital Market ("Official Gazette of Montenegro" No. 01/18), the Capital Market Authority (hereinafter referred to as: the Authority), at its 30th session held on 19 October 2018 has issued the

RULES

on granting approval for the appointment of the Board of Directors' member, the executive director of the market maker, investment firm and the Central Clearing and Depository Company

Article 1

These Rules shall prescribe conditions for granting approval for the appointment of the Board of Directors' member. i.e. market maker's executive director, the investment firm and the Central Clearing and Depository Company (hereinafter jointly referred to as "the Firm") as well as the documents to be submitted with the application for granting approval.

Article 2

In accordance with Articles 153, 211 and 371 of the Law, persons who manage the Firm must comply and submit evidence of:

1. higher education qualification with a minimum of 240 ECTS credits (VII);
2. personal reputation and relevant professional qualifications,
3. good business reputation;
4. reference list of professional certificates, professional awards and prizes, papers, acts, projects, etc., which recommended the person for the appointment, and
5. at least three-year work experience in the field of finance and financial markets.

Article 3

The application for granting approval for the appointment of executive director and/or Board of Directors' member of the Firm shall contain:

- 1) name of the Firm;
- 2) registered office of the Firm: address, phone/fax and e-mail address;
- 3) date of establishment of the Firm;
- 4) name of registration authority, number and date of the certificate of registration;
- 5) registration number of the Firm;
- 6) first and last name of the person for whose appointment the approval is sought;
- 7) personal details of the nominated person: address, date of birth, type of education and education level and name of educational institution where a degree was acquired; total years of service, e-mail and phone number;

- 8) function and competences for which the nominated person is being appointed;
- 9) explained proposal of the Appointment Commission;
- 10) details of the authorized person of the Firm.

The application referred to in paragraph 1 of this Article shall be submitted on a form entitled "Application for granting approval for the appointment of the Board of Directors' member, i.e. executive director of the Firm" which is available on the Authority's website.

Article 4

In addition to the application referred to in Article 3 of these Rules the following documents shall be submitted:

1. completed questionnaire from the Authority by the person nominated for the executive director and/or Board of Directors' member of the Firm, which is available on the Authority's website, entitled "Questionnaire for the candidate for the Board of Directors' member or executive director of the Firm";
2. photocopy of identity card, i.e. photocopies of passport and residence permit for foreign nationals;
3. original or certified copy of the diploma of higher education acquired in accordance with the regulations governing higher education in Montenegro or diploma acquired abroad which is equivalent to higher education diploma acquired in Montenegro;
4. a proof of work experience acquired in the financial sector (certified copy of the employment booklet, certified employer's certificate, certificate issued by the Fund for pension and disability insurance and the like);
5. CV (curriculum vitae) (jobs the nominated person performed until submission of the application, terms of reference and time spent on these tasks, acquired titles and the number of licenses, if any, special achievements, contributions and awards earned in performing these tasks and the like);
6. a proof that no criminal proceeding against the person nominated for the Board of Directors' member or executive director of the Firm has not been carried out;
7. a statement of the person nominated that the person nominated for the Board of Directors' member or executive directors of the Firm has not been sentenced to an unconditional imprisonment of more than six months by a final court decision;
8. a certified statement of the nominated person, given under penalty of perjury, that the person nominated meets the requirements referred to in Article 211, paragraph 4 of the Law as the Board of Directors' member, i.e. executive director when the applicant is an investment firm;
9. a certified statement of the nominated person, given under penalty of perjury, that the person nominated meets the requirements referred to in Article 154 and Article 155 of the Law as the Board of Directors' member, i.e. executive director when the applicant is a market operator;
10. a certified statement of the nominated person, given under penalty of perjury, that the person nominated meets the requirements referred to in Article 371 of the Law, and in conjunction with the provisions of Articles 153.154 and 155 of the Law as the Board of Directors' member, i.e. executive director when the applicant is Central Clearing and Depository Company;
11. a proof of a full-time employment for the executive director of the Firm;
12. management program of the Firm for a term of office of the person nominated for the Board of Directors' member or executive director of the Firm, in written and electronic form;
13. a proof of payment of application fee in accordance with Authority's price list;

14. other documents requested by the Authority.

Documents in a foreign language shall be submitted in original or a copy notarized and certified by apostille and translation of original documents in Montenegrin made by a certified interpreter.

Article 5

Business management program of the Firm and an interview with the person nominated for the Board of Directors' member or executive director of the Firm

In addition to the application for granting approval for the appointment of the Board of Directors' member or executive director of the Firm, the person nominated shall submit to the Authority a business management program of the Firm during term of office.

The person nominated for the Board of Directors' member and/or executive director of the Firm shall submit the investment firm business management program to the Authority in written and electronic form.

In deciding on granting approval, the Authority may require the person nominated for the Board of Directors' member and/or executive director of the Firm to present the business management program of the Firm.

In deciding on granting approval, the Authority may invite the person nominated for the Board of Directors' member and/or executive director of the Firm for an interview.

Article 6

The Authority shall decide on the application for granting approval for the appointment of the Board of Directors' member, i.e. executive director of an investment firm within ten days following the date of receiving the application.

If the application for granting approval referred to in paragraph 1 of this Article is submitted simultaneously with the application for license to provide investment firm's services, the Authority shall decide on both applications at the same time.

Notwithstanding paragraph 1 of this Article, the Authority shall decide on the application for granting approval for the appointment of market maker and Central Clearing and Depository Company's Board of Directors' member within 30 days following the date of receiving the application and the accompanying documents.

Article 7

The Authority's approval referred to in Article 6 of these Rules is a condition for registration, i.e. the data change kept with the Central Registry of Commercial Entities.

the Firm shall, within the period of 8 days following the date of registration, i.e. the data change in the Central Registry of Commercial Entities, submit evidence of the same to the Authority.

The approval referred to in paragraph 1 of this Article shall be valid in the case of re-appointment of the Board of Directors' member during its term of office (Article 153, paragraph 8 of the Law).

The Firm shall, after obtaining the Authority's approval for the appointment/change of the executive director and the Board of Directors' members, publish those changes on its website.

The provisions of Articles 153 and 154 of the Law shall accordingly apply to the appointment of the executive director of the Firm. The term of office of the executive director shall be four years and may be re-elected.

Article 8

The provisions of these Rules shall also apply to the head of the authorized credit institution.

Article 9

These Rules shall enter into force on the eighth day of its publication in the "Official Gazette of Montenegro".

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