



MONTENEGRO

Capital Market Authority

Pursuant to Article 261, paragraph 3, Article 236, paragraph 3 and Article 286 paragraph 4 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 detailed content, terms and manner of compiling and submission of investment firms and their branches' reports

Article 1

These Rules shall govern the content, terms and manner of compiling and submitting investment firms and their branches' reports (hereinafter: the report).

Type of reports

Article 2

Investment firm shall submit to the Authority:

1. Periodical reports on business operations, and
2. Annual financial report (prescribed financial statements), annual report on business operations and auditor's report.

Periodic reports

Article 3

Investment firm shall submit to the Authority a three-month, six-month and nine-month report on business operations.

Investment company shall also submit reports on business operations to the Authority as follows:

- a) For the period from 1 January – 31 March, not later than 30 April of the current year,
- b) For the period from 1 January – 30 June, not later than 31 July of the current year,
- c) For the period from 1 January – 30 September, not later than 31 October of the current year.

Investment firm shall compile the report in xls format on forms prescribed by the Authority and publish them on the website: <http://www.scmn.me/ID-periodični>

Investment firm shall submit reports to the Authority in electronic form to the address izvještaji-idp@scmn.me.

If unable to submit the report specified in paragraph 4 of this Article, the investment firm shall, within the prescribed period, submit the same in writing to the address of the Authority: Kralja Nikole 27a/III, Podgorica.

When submitted in writing, reports have to be signed by authorized persons, bear firm's seal and registered in firm's protocols or possibly bear the firm's stamp with protocol number and the date of registration thereof by the firm.

Annual financial report, auditor's report and annual report on business operations

Article 4

Investment firm shall submit to the Authority:

1. annual financial reports (prescribed financial statements),
2. annual business operations report, and
3. independent auditor's report.

Regular annual financial statements, annual business operations report and the auditor's report shall be compiled in accordance with the Law on Capital Market and the Law on Accounting and Auditing.

The contents of financial report

Article 5

Investment firm's financial report is made up of the following components:

1. Statement of financial position (balance sheet)
2. Profit and loss statement (income statement)
3. Cash flow statement
4. Statement of changes in equity
5. Notes to financial statements.

Investment firm shall submit the report to the Authority in electronic form to the address izvještaji-idp@scmn.me.

If unable to submit the report specified in paragraph 2 of this Article, the investment firm shall, within the prescribed period, submit the same in writing to the address of the Authority, Kralja Nikole 27a/III, Podgorica. When submitted in writing, reports have to be signed by authorized persons, bear firm's seal and registered in firm's protocols or possibly bear the firm's stamp with protocol number and the date of registration thereof by the firm.

Annual financial report and independent auditor's report shall be submitted to the Authority no later than 30 June of the current year for previous year.

The investment firm shall, in accordance with Article 261 paragraph 1 of the Law, ensure that the auditor's report contain an assessment of the auditor and the opinion on:

- adequacy of mechanisms and possible weaknesses in firm's internal control,
- accounting procedures for determining capital adequacy,
- risk exposure management, and
- adequacy of measures for client assets protection.

Investment firm shall warn the auditor/auditing firm in writing on obligation to comply with the provisions of Article 300 of the Law.

Annual report on business operations

Article 6

Investment firm shall compile the report in xls format on forms prescribed by the Authority and publish them on the website: <http://www.scmn.me/ID-godišnji>

Investment firm shall submit reports to the Authority in electronic form to the address: izvještaji-idp@scmn.me.

If unable to submit the report specified in paragraph 4 of this Article, the investment firm shall, within the prescribed period, submit the same in writing to the address of the

Authority: Kralja Nikole 27a/III, Podgorica.

Investment firm branches

Article 7

Branches of investment firms from third countries which perform their activities, i.e. business operations in the market of Montenegro shall submit to the Authority reports identical to reports submitted by investment firms whose home state is Montenegro, for investment services and activities they carry out in the territory of Montenegro.

Branches referred to in paragraph 1 of this Article shall submit reports in the manner and within the time prescribed by Articles 3 to 7 of these Rules.

Responsibility for information

Article 8

The Authority is not responsible for the accuracy and authenticity of the information contained in submitted reports.

Article 9

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

Number: 01/9-1486/2-18
Podgorica, 19.10.2018

President of the CMA
Zoran Đikanović PhD, m.p.