

# **LAW ON BANK BANKRUPTCY AND LIQUIDATION**

**(“Official Gazette of the Republic of Montenegro”, number 47/01)**

## **I. BASIC PROVISIONS**

### **Article 1**

This Law shall govern 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body of which has passed a decision on the cease of the bank's operation, as well as on a bank the license of which has been revoked by the Central Bank of Montenegro (hereinafter: the Central Bank).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.

## **II. 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/liquidation proceedings shall be posted on a bulletin board of the Central Bank, the bank in bankruptcy/liquidation and its parts (hereinafter: the bank) and the Registration Court.

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

## **III. BANKRUPTCY PROCEEDINGS**

### **Article 7**

Deputy General Manager for Banking Supervision in the Central Bank (hereinafter: the Deputy General Manager) shall issue orders and instructions to authorized 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 Manager 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.

Beside 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 Manager in the event that the Deputy General Manager 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 an organ 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 behavior 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 nonconscientious or nonprofessional 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 fulfill 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 nonprofessional and nonconscientious 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 the 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 Manager.

### **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 agency, organization 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 labor relation (employment) in the bank until his/her return to the agency, organization 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 Manager 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 an organ 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 fulfills 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 Manager 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", number 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 Manager, who shall, subject to the prior approval of the Council, pass the resolution on commencing the bankruptcy proceedings.

#### **Article 20**

The resolution on commencing the bankruptcy proceedings shall be final.

As of the date of passing the resolution referred in paragraph 1 above, the Central bank shall block all the bank's accounts and forbid the bank to use all of its funds.

#### **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 Manager 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 Manager 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:

- 7) Name and head office of the Central Bank;
- 8) Name of the Deputy General Manager who passed the resolution;
- 9) Extract from the resolution on commencing the bankruptcy proceedings;
- 10) Name of the Bankruptcy Administrator, with necessary details;
- 11) 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;
- 12) Invitation to debtors to settle their debts without delay and
- 13) 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**

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.

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**

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 the bank's movable, immovable, material and immaterial property, wherever it is, all the bank's claims, all contractual rights, all intellectual rights and other rights acquired under the law.

## **c) Accounts and firm of the debtor**

### **Article 27**

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

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

In signing, the words: "in 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.

## **d) Transfer of Functions**

### **Article 28**

Powers and authorities 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) Labor Relations**

### **Article 29**

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

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

Canceling the lease contract as 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:

- 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;
- 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 after the day the legal effects of the bankruptcy proceedings have come into force.

### **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 suit 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 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 execution and enforcement referred to paragraph 1 shall be stopped.

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

### **Article 37**

No setoff 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 from commencing the bankruptcy proceedings, i.e. within 30 days from the notice in the "Official Gazette of the Republic of Montenegro".

The claims filed after the deadline specified in paragraph 1 above shall be rejected as not timely submitted.

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

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

### **b) Examination of Claims**

### **Article 40**

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.

Exceptionally, the time limit specified in paragraph 2 above may be prolonged for another 30 days by 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 of the day of receiving the decision.

The Bankruptcy Board shall decide on the appeal referred to in paragraph 2 above within 8 days as of the day of receiving 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, with 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 over the filed claims that contains data on creditors and the amount of filed, recognized, partially recognized 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**

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

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 preserving the business secret.

The sale of the bank as a legal entity, or of its part, that has a capacity of a legal entity, may be performed only when such a sale may lead to more favorable 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 goes into 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 favorable price as possible, in order to protect depositors and other creditors of the bank;
- 2) Secure equality of potential buyers or acquisition partners;
- 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 begin, 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 (legal entities and private individuals) up to the amount of DEM 5,000 per depositor;
- 4) Other deposits, including deposits of private individuals and legal entities above DEM 5,000 per depositor;
- 5) Claims of other creditors and
- 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 financial 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 that all the operations are over, it shall propose to the Deputy General Manager, upon prior consent of the Council, to close the bankruptcy proceedings.

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

Legally valid and binding 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 transfer of the bankruptcy pool of assets into cash and propose to the Deputy General Manager to close the proceedings with prior consent of the Council.

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

## **IV. TERMS AND PROCEDURE OF LIQUIDATION**

### **Article 52**

On the basis of the decision of a competent body of the bank on the cease 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 Manager shall enact 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 authorized body of which has passed the decision on the cease 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 Manager.

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 over, 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 favor 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**

The Bankruptcy Administrator shall be punished for an offence by a fine ranging from fifteen-fold to twenty-fold amount of the minimal wage in the Republic 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 initial balance sheet, take care of collecting the bank's claims, compose report of 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**

The Liquidation Administrator shall be punished for an offence by a fine ranging from fifteen-fold to twenty-fold amount of the minimal wage in the Republic 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 CLOSING 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**

As of the moment this Law comes into force, Section VIII "Bankruptcy" (Articles 79-87) and Section IX "Liquidation" (Articles 88-91) of the Law on Banks ("Official Gazette of the Republic of Montenegro", No.52/00) shall cease to be valid.

### **Article 61**

This Law shall come into force eight days as of the day of its publication in the "Official Gazette of the Republic of Montenegro".