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ON PREVENTION OF CONFLICT OF INTERESTS
(Official Gazette of Montenegro 1/09 of 09 January 2009)
AND
ON AMENDMENTS TO THE LAW ON PREVENTION
OF CONFLICT OF INTERESTS (Official Gazette of Montenegro

41/ 11 of 10 August 2011, Official Gazette of Montenegro 47/11 of 23 September 2011)

This refined text of the Law shall be applicable as of 1 March 2012, except for the provision referring to membership of the MPs in Steering Committees, which shall be applicable as of 1 November 2011.

I GENERAL PROVISIONS

Subject of the Law

Article 1

Aiming at creating and maintaining the confidence of citizens in conscientious and accountable discharge of public office, this law shall govern restrictions in discharge of public office, submission of Income and Property Reports and other measures for prevention of conflict of public and private interests, as well as other issues of importance for implementation of this Law.

Conflict of Interests

Article 2

Public official shall discharge the public office in such a manner that he shall not place private interest before public interest and shall not cause the conflict of interests.
Conflict of interests exists when private interest of a public official affects or might affect the unbiasedness of the public official in performance of public office.

Public Official *

Article 3

A public official is, in the sense of this law, an elected, nominated and appointed person in a state body, state administration body, judicial body, local governance body, local administration body, an independent body, a regulatory body, public institution, public company and other legal entities performing public authorities, i.e. activities of public interest or which is in state ownership (hereinafter: authority), as well as a person for whose election, nomination or appointment consent is given by an authority.

* Text in bold refers to the Law on Amendments to the Law on Prevention of Conflict of Interests (Official Gazette of Montenegro 41/ 11 of 10 August 2011 and Official Gazette of Montenegro 47/11 of 23 September 2011).

Independent Body

Article 4

Establishment of existence of conflict of interests and measures for prevention of conflict of interest shall be carried out by the Commission for Prevention of Conflict of Interests (hereinafter: Commission) as an independent body.

Opinions on existence of conflict of interests and decisions on infringement of this Law provided by the Commission, i.e. adopted in accordance with this Law, shall be binding for the public official.

It shall be considered that a public official has infringed this Law in case he does not act in accordance with the opinion of the Commission and obligations prescribed by this Law or in case he acts in a manner infringing prohibitions and rules related to prevention of conflict of interest prescribed by this Law, as well as other regulations governing the conflict of interests in the fields regulated by these regulations.

Meaning of Terms

Article 5

Certain terms used in this Law shall have the following meanings:

- 1) public interest is both material and non-material interest for the welfare and prosperity of all citizens under the same conditions;
- 2) private interest entails ownership another material or non-material interest of a public official;
- 3) ownership interest is every share of a public official in a company exceeding the amount of ten minimum salaries in Montenegro;
- 4) benefit entails property or proprietary and other material and non-material rights;
- 5) related person is a relative of the public official - lateral and collateral up to the second degree of kinship, in-law relative up to the first degree of kinship, spouse and partner, adoptive parent and adoptee;
- 6) gift of major value comprises money, assets, rights and services acquired without the corresponding compensation, as well as every other benefit given to the public official or related person, with value exceeding EUR 50;
- 7) public company is a company in which the state, municipality, Old Royal Capital or the Capital (hereinafter: municipality) possess at least 25% capital;
- 8) company is every company, except for the public company in the sense of this Law;
- 9) authority is a state body, state administration body, municipal body, public company, public institution, regulatory or other body or commission in which a public official discharges or discharged the public office.

II. RESTRICTIONS IN DISCHARGE OF PUBLIC OFFICE

1. General Restrictions

Discharge of Other Public Affairs

Article 6

Public official may perform scientific, teaching, cultural, artistic and sports activities and acquire income from the copyright, patent and related rights of intellectual and industrial property.

Membership of the public official nominated or elected into permanent or interim working bodies and mixed commissions established by an authority shall not be considered as discharge of two or more public offices in the sense of this law.

Public official shall be obliged to report income referred to in paragraphs 1 and 2 of this Article to the Commission.

Management Rights in Companies

Article 7

A person who is the owner, i.e. founder of a public company, other company, institution or other legal entity shall, within **30 days** from the day of election, appointment or nomination for the public office, transfer his management rights in these entities to another legal or natural entity which is not related to him, in order that the person concerned would perform them on its own behalf and for the account of the public official until termination of his public office.

In case that, in a company or other entity referred to in paragraph 1 of this Article a management body was formed in which the public official, as a member of that body, exercises his management rights, the transfer of management rights shall entail the obligation of the public official to file a resignation of membership in the management body, in accordance with the law.

Public official shall within five days from the day of transfer of management rights submit to the Commission the data on the person to whom he transferred the management rights as well as proofs of transfer of management rights. The person to whom the public official transferred management rights shall become a related person in the sense of Article 5 item 5 of this Law.

Discharge of Managerial and Other Functions in a Company

Article 8

Public official may not be the president or member of a management body or supervisory body, nor the executive director or member of management in a company. A person elected, nominated or appointed to a public office in the sense of this law, shall submit a resignation to duties, i.e. office referred to in paragraph 1 of this Article within **30 days** from the day of election, appointment or nomination.

Discharge of Public Office in Public Companies and Public Institutions

Article 9

Public official may not be the president or member of a management body nor supervisory body, executive director, member of management of the public company, public institution or other legal entity.

Notwithstanding the aforementioned, the public officer, except for an **MP**, member of the Government of Montenegro, judge of the Constitutional Court of Montenegro, a judge, state prosecutor and deputy state prosecutor, may be a president or member of the management body and supervisory body, executive director, member of management of a public company, public institution or other legal entity in one public company or public institution in which the state i.e. a municipality is the owner.

Public official discharging the affairs in executive branch of power at the state and local level may not discharge the office of an MP.

Public official may be the president or a member of management body and supervisory body of scientific, humanitarian, sports and similar associations, **if not otherwise prescribed by a special regulation.**

Obligation of Filing a Resignation

Article 10

Public official who accepts, during discharge of public office, to discharge another duty, namely office referred to in Article 8, paragraph 1 and Article 9 paragraph 1 of this Law shall within **30 days** from commencement of discharge of the other office, i.e. duty, file a resignation from the public office.

Service contracts

Article 11

Public official may not conclude a contract on provision of services to a public company. Public official may not conclude a contract on provision of services to another company which is in a contractual relation with, i.e. performs affairs for the Government of Montenegro or for a municipality while the public official discharges the office, except if the value of such contract is under EUR 500 at annual level.

Should the public official act in contravention with provisions referred to in paragraphs 1 and 2 of this Article, provisions of the Law on Obligation Relations shall apply to the concluded legal matter accordingly.

Declaration on Existence of Conflict of Interests

Article 12

If a public official, participates in discussion and decision-making in the authority where he discharges public office, in a matter in which he or a related person have private interest, he shall inform thereof, by giving a declaration on existence of private interest, the other participants in the discussion and decision-making prior to his participation in the discussion and not later than commencement of decision-making.

Notwithstanding the aforementioned, the obligation of giving the declaration referred to in paragraph 1 of this Article shall not refer to an MP and councillor, nor to a public official to whom the rules on exemption prescribed by a special law or another act apply.

The authority in which the public official discharges public office shall enter the declaration of the public official on existence of private interest into the minutes and request the Commission's opinion thereon.

In case referred to in paragraph 1 of this Article, the public official may not participate in discussion and decision-making until the Commission gives the opinion on existence of conflict of interests.

Decisions adopted in contravention with provisions of this Article shall be put out of force by the competent authority, in accordance with the relevant law and inform the Commission thereof.

Restrictions upon Termination of Public Office

Article 13

Public official may not, in the period of **two** years upon termination of the public office, perform the following:

- 1) act before an authority in which he discharged the public office as a representative or attorney of a legal entity which has or is establishing a contractual, i.e. business relation with that authority;
- 2) represent legal or natural person before an authority in which he performed public office in a case in which he participated in decision-making as a public official;
- 3) perform affairs of management or audit in a legal entity in which, at least one year prior to termination of public office, his duties had been related to supervisory or control affairs;
- 4) enter into contractual relations or other form of business cooperation with an authority in which he performed public office;
- 5) use, for the purpose of acquiring benefit for himself or another person or in order to inflict damage upon another person, the knowledge and information he had obtained through discharge of public office, except if these knowledge and information are available to the public.

2. Accepting and Reporting of Gifts

Prohibition of Accepting Gifts

Article 14

Public official must not accept money, securities or precious metals, regardless of their value. Public official must not accept gifts, except for protocol gifts and occasional gifts of minor value. Protocol gift shall be considered to be a gift from a representative of another state or international organization given on the occasion of visit, tour or in other occasions, as well as other gift given in similar occasions.

Occasional gift of minor value shall be considered to be a gift with value up to EUR 50. Should a public official accept during one year more gifts from the same gift-giver, value **of these gifts must not exceed the amount of EUR 50 and if he accepts in that time gifts from several gift-givers, value of these gifts must not exceed EUR 100.**

Prohibition, namely restriction referred to in paragraphs 1 and 2 of this Article shall refer also to family members of the public official referred to in Article 19, paragraph 1 of this Law. Value of the gift shall be calculated by its market value on the day of acceptance of the gift.

Refusal of Gifts

Article 15

Public official to whom a gift was offered which he may not accept, shall refuse the offer, i.e. inform the gift-giver that he must not accept the gift.

Public official shall submit the written report on offer referred to in paragraph 1 of this Article, **within eight days**, to the authority in which he discharges the public office.

Should the public official, in case referred to in paragraph 1 of this Article, not be able to refuse the gift, nor return it to the gift-giver, he shall submit the gift to the authority where he discharges the office, which shall become state property from that day.

Method of Disposal with Gifts

Article 16

Gifts accepted and their value shall be entered into the records of gifts kept by the authority where the public official discharges the office.

Gifts with value not exceeding EUR 30 shall not be entered into the gift records. Should it be established that the occasional gift is exceeding the value referred to in Article 14 paragraph 4 of this Law, the gift shall be submitted to disposal of the authority in which the public official discharges office and it shall become property of the state, i.e. municipality.

Protocol gifts, regardless of their value, shall become property of the state, i.e. municipality.

Method of disposal with gifts referred to in paragraphs 1, 3 and 4 of this Article, method of keeping the records of gifts as well as other issues referring to the restrictions concerning acceptance of gifts related to discharge of public offices shall be prescribed by the Commission.

Records of Gifts

Article 17

Authority referred to in Article 16 paragraph 1 of this Law shall submit the extract from the record of gifts it keeps to the Commission by the end of **March** of the current year, for the previous year. Should the Commission establish, on the occasion of check of the records referred to in paragraph 1 of this Article that it was not acted in accordance with this Law, it shall inform the authority which submitted the extract from the records thereof.

The Commission shall prepare public the catalogue of gifts accepted in the previous year and publish them on its internet page.

Illicit Acceptance of Gifts

Article 18

On the basis of finding that a public official has accepted a gift in contravention with the Law, the Commission shall inform thereof the authority where the public official performs the public office and the body in charge of election, i.e, nomination of the public official.

Should the bodies referred to in paragraph 1 of this Article confirm the assessment of the Commission that the public official was accepting gifts in contravention with this Law, such behaviour of the public official shall represent infringement of this Law, on which the Commission shall make a decision.

In case referred to in paragraph 2 of this Article, the public official shall return the gift or equivalent pecuniary value of the gift.

III. INCOME AND PROPERTY REPORT

Filing of Income and Property Reports

Article 19

Public official shall, within **30 days** from the day of entry into the office, file the income and property report to the Commission, as well as income and property report for the spouse and children if they live in a shared household (hereinafter: report), pursuant to the state-of-affairs on the day of election, appointment or nomination.

Public official shall give accurate and **complete** data in the report. During discharge of public office, the public official shall submit the report:

- once a year, by the end of **March** of the current year for the previous year,
- in case of change in data from the Report referring to increase in property exceeding EUR 5000, within **30 days** from the day of occurrence of the change.

In case when his public office is terminated, the public official is obliged to inform, within 30 days from the day of termination of the office, the Commission thereof and submit the report. Upon expiration of one year from termination of the office, the public official shall submit the report to the Commission, pursuant to the state-of-affairs on the day of submission of the declaration.

Public official shall inform the Commission, on the occasion of transfer to another public office as well as in case of election, nomination or appointment to another public office in the sense of Article 9 paragraphs 2 and 3 of this Law, within 30 days from occurrence of the change.

Data to be Reported

Article 20

The report shall contain:

- 1) personal data of the public official, as well as family members referred to in Article 19 paragraph 1 of this Law (first name, last name, unique citizen number, residence, i.e. temporary residence and address, level of education and profession);
- 2) data regarding public office he discharges;
- 3) data on property and incomes, especially on:
 - proprietary rights on immovables and lease right on immovables in duration exceeding one year, in the country and abroad;

- proprietary right over movables for which the obligation of registration is prescribed with the competent bodies (motor vehicles, vessels, aircraft etc.);
 - deposits in banks and other financial organizations, in the country and abroad;
 - stocks and shares in a legal entity;
 - cash and securities exceeding the value of EUR 5000;
 - rights arising from copyright, patent and similar rights of intellectual and industrial property;
 - debts (capital, interest and repayment deadline) and claims;
 - source and amount of incomes from performance of scientific, teaching, cultural and sports activities;
 - membership in management bodies and supervisory bodies of public companies, public institutions or other legal entities with capital share owned by the state, i.e. municipality such as scientific, humanitarian, sports or similar associations.
- Detailed contents of the Report and form in which the Report is submitted shall be established by the Commission.

Data Check

Article 20a

Commission shall perform check of data from the Report through gathering of data on property and income of the official from the body and legal entities which dispose of these data and through comparison of the reported data from the Report with the gathered data. Procedure of data check from the submitted report on property condition of public officials shall not be available for the public.

Register of Income and Assets

Article 21

Data from the Report shall be recorded in the register of incomes and property kept by the Commission.

Data referred to in paragraph 1 of this Article shall be available to the public.

Method of keeping the register of incomes and property shall be established by the Commission.

IV. PROCEDURE

1. Procedure of Opinion Giving

Giving of Opinion at the Request of Public Official in Case of Suspected Conflict of Interest

Article 22

When he suspects that he is in the situation in which there is a conflict of interests, the public official shall take measures for the purpose of solving conflict of interests, in accordance with the law, as well as report the suspicion of existence of conflict of interests to the Commission, which shall give an opinion thereon.

Public official whose office has terminated may submit a request to the Commission for giving of opinion on existence of conflict of interests referred to in Article 13 of this Law.

Public official, i.e. public official whose office has terminated shall in his report for giving of opinion referred to in paragraphs 1 and 2 of this Article provide accurate and **complete** data regarding possible conflict of interests.

Public official may ask the Commission to submit him the opinion in certain timeframe for the purpose of exercise and protection of his rights and interests or carrying out of obligations with regard to which he had asked for the opinion.

Rule of Confidentiality of the Procedure

Article 23

Procedure upon request referred to in Article 22 of this Law shall be of confidential nature.

2. Procedure for Establishment of Infringement of Provisions of this Law

Initiation of the Procedure

Article 24

Procedure in which it is decided whether there is an infringement of this Law shall be initiated by the Commission at the initiative of the authority where the public official performs or performed public office, of the body in charge of election, i.e. nomination of the public official, other state body or municipal body, other legal or natural entity.

Procedure may be also initiated by the Commission, in the line of official duty.

Data on initiator shall be confidential.

Form and Contents of the Initiative

Article 25

Initiative referred to in Article 24 paragraph 1 of this Law shall be submitted in written form and it shall contain: first name, last name and address of the public official, title of the office he performs, detailed facts with evidence of existence of conflict of interest or other infringement of this Law, of which the initiator disposes or is knowledgeable, names of persons who are able to confirm the allegations in the initiative, if there are any or if he knows them, as well as the first name and last name and address, i.e. name and head office of the initiator.

Notwithstanding the abovementioned, the initiative may be given verbally, in form of minutes with the authorized member of the Commission.

Supplement, Correction of the Initiative and Procedure upon the Initiative

Article 26

Should the initiative not be prepared in accordance with Article 25 paragraph 1 of this Law or should it not be understandable or not containing all it takes to act thereupon, the Commission shall invite the initiator to supplement the initiative, i.e. correct it and set him the deadline for that, which shall not exceed eight days. Should the initiator fail to act upon the request for its supplement or correction, the Commission shall discard the initiative as irregular.

Public Official's Statement

Article 27

The Commission shall inform the public official of initiation of the procedure, i.e. regularly received, supplemented or corrected initiative, in written form and request that he submits the written statement regarding allegations from the initiatives, as a rule, within 15 days from the day of receipt of the initiative. Should the official fail to give statement in manner and timeframe referred to in paragraph 1 of this Article, the Commission shall continue the procedure in accordance with this Law. The procedure before the Commission shall be conducted by the authorized member of the Commission.

Establishment of Facts and Circumstances

Article 28

All facts and circumstances of importance for decision-making must be established in the procedure.

Authorized member of the Commission shall, in the line of official duty, obtain the data and notifications of facts necessary for conducting the procedure and decision-making, on which the official records shall be kept by the competent state bodies, state administration bodies and municipalities, i.e. public companies, companies, institutions or other legal entities.

Bodies and legal entities referred to in paragraph 2 of this Law shall submit the requested data and notifications in the timeframe established by the Commission.

Presentation of Evidence

Article 29

Authorized member of the Commission who conducts the procedure may, when he assess that it is necessary, and for the purpose of establishment of facts and circumstances of importance for decision-making, in the line of official duty, order presentation of evidence, in accordance with rules of general administrative procedure.

Verbal Discussion

Article 30

Authorized member of the Commission may, at the request of participants in the procedure or when he assesses it necessary, determine conducting of verbal discussion.

Presentation of Statements

Article 31

During procedure before the Commission, the initiator shall present truthful factual state-of-affairs on which he bases his initiative. The initiator and the public official give statements in the procedure, verbally, as a rule, and they can give them in written form as well. In case when more elaborate technical explications are necessary, the authorized member of the Commission may order the participant in the procedure to submit a written statement as well and set the deadline for submission of the statement.

Participant in the procedure may request on his own to be allowed to give a written statement.

Protection of Rights of Participants in the Procedure

Article 32

Public official and other participants in the procedure must be enabled to exercise and protect their rights and legal interests, on which the authorized member of the Commission shall take care.

Submission of Files to the Commission

Article 33

Following conducted procedure and presented evidence, the authorized member of the Commission shall submit the complete files to the Commission for decision-making.

Decision-Making by the Commission

Article 34

Commission shall adopt a decision establishing whether the public official performed infringement of this Law by an act, activity or failure to act, in a session, without presence of the public, at the latest within 15 days from the day of termination of the procedure, conducted in accordance with this Law.

Participants in the procedure may participate in work of the Commission's session. Decision referred to in paragraph 1 of this Article has to be justified.

Submission of the Decision

Article 35

Decision of the Commission shall be submitted to the public official, initiator, as well as authority where the public official performs public office and body in charge of election i.e. nomination or appointment of the public official, when these bodies are not initiators, at the latest within five days from the day of adoption of the decision.

Decision Review

Article 36

Public official and initiator may submit against the decision of the Commission, within eight days from the day of receipt of the decision, a request for decision review to the Commission.

Request referred to in paragraph 1 of this Article shall contain the reasons why the decision should be reviewed or amended.

Upon request for decision review, the Commission shall decide within 30 days from the day of submission of the request

Commission's decision upon request referred to in paragraph 1 of this Article shall be final. Administrative dispute may be initiated against the final decision of the Commission.

Application of the Rules of the General Administrative Procedure

Article 37

Provisions of the law governing the general administrative procedure shall apply to the procedure of establishment of infringement of this law, if it is not otherwise prescribed by this Law.

Legal Effect of the Decisions

Article 38

Infringement of this Law established by final judicial decision shall be considered to be unconscientious discharge of public office, on which the Commission shall inform the authority where the official discharges public office and the body in charge of election, i.e. nomination or appointment of the public official, for the purpose of initiation of the procedure of relieving of duty.

Should the public official be relieved of duty, **suspended or pronounced a disciplinary measure** due to unconscientious discharge of public office, in the sense of paragraph 1 of this Article, the body in charge of election i.e. nomination or appointment of the public official shall inform the Commission thereof, **within 30 days from adoption of the decision.**

Public official who was relieved of public office due to infringement of this Law may not **discharge public office, i.e.** civil servant affairs in the period of four years from the day of relieving of duty.

Bodies in charge of nomination or appointment referred to in Article 3 of this Law shall, prior to decision-making on election, nomination or appointment of the public official, check with the Commission whether the proposed candidate in the capacity of public official referred to in Article 3 of this Law was relieved due to infringement of this Law in the past four years prior to candidacy.

Should the Commission, at any stage of the procedure suspect that the public official committed criminal offence for which he is prosecuted in the line of official duty, it shall submit, without delay, a complaint to the state prosecutor.

Compensation of Material Damage

Article 39

Should the infringement of this law result in material damage to a legal or natural entity, that entity shall exercise right to compensation of damage by a complaint in the litigation procedure with the competent court, by application of general rules on compensation of damage.

V. COMMISSION

Competence

Article 40

The Commission shall be in charge of:1) conducting the procedure and adopting the decisions on infringement of this Law;

- 2) giving opinion on existence of conflict of interests;
- 3) establishing value of gifts **on the basis of findings and opinion of the corresponding expert witness, in case of suspicion or dispute regarding value of the gift;**
- 3 a) carrying out check of data from the reports;**
- 4) adopting the rules and Rules of Procedure of the Commission upon the proposal of the President of the Commission;
- 5) giving opinion on draft laws, other regulations and general acts, if it deems it necessary for the purpose of prevention of conflict of interests;
- 6) giving initiative for amendment to the laws, other regulations and general acts, for the purpose of their alignment with the European and other international standards from the field of anti-corruption initiative and transparency of business transactions;
- 7) submitting the request for initiation of the misdemeanour procedure;
- 8) performing other affairs, in accordance with this Law;
- 9) cooperating with the international organizations and institutions of other states handling prevention of conflict of interests.**

Rules of Procedure of the Commission shall govern in more detail the method of work and other issues of importance for work of the Commission.

Composition of the Commission

Article 41

Commission has the President and six members.

President and the members of the Commission shall be elected by the Parliament of Montenegro (hereinafter: Parliament), at the proposal of the competent working body of the Parliament, for the period of five years, **by a public concours.**

Position of the Member of the Commission

Article 42

President and members of the Commission may not be members of the political parties' bodies. President of the Commission shall discharge the function professionally and be entitled to the salary in the amount established for the Ombudsman. Members of the Commission shall be entitled to compensation for their work established by the competent working body of the Parliament.

Termination of Duty in the Commission

Article 43

Duty of the President and members of the Commission shall cease by expiration of time for which he is elected, by resignation or resolving of duty.

The President and member of the Commission shall be relieved of duty if:

- 1) he discharges unconscientiously or biasedly the duty of the member of the Commission;
- 2) he becomes a member of the political party body;
- 3) if he was convicted by final judicial decision for a criminal or other punishable offence with makes him unsuitable to be a Commission member;
- 4) the Commission establishes that he did not act in a manner prescribed by this Law.

Arising of the reasons for relieving of duty referred to in paragraph 2 of this Article shall be established by the Commission in the session and it shall inform the Parliament thereof. The President or member of the Commission may not discharge duty until the Parliament decides on resolving of duty.

Professional Service

Article 44

For performance of professional and administrative affairs, the Commission shall establish a professional service (hereinafter: Professional Service). Professional Service shall be managed by the Secretary of the Commission.

Secretary shall be appointed and relieved of duty by the Commission.
The Act on Internal Organization and Job Description of the Professional Service shall be adopted by the Commission, with previous opinion of the competent working body of the Parliament.

Employees' rights

Article 45

Legislation on civil servants and public employees shall apply to rights, obligations and accountabilities of the **Secretary and** employees of the Professional Service.

Funds for Operation of the Commission

Article 46

Funds for operation of the Commission shall be ensured in the budget of Montenegro.

Public Character of the Commission's Work

Article 47

Decisions of the Commission on existence of conflict of interests shall be published on the web page of the Commission and in the media.

The Commission shall submit to the Parliament the report on its work, at least once a year.

The Commission may submit a special report to the competent working body of the Parliament, as needed, or at the request of the competent working body.

Ensuring of Data Protection

Article 48

On the occasion of informing of the public, the Commission shall ensure the protection of personal data from possible abuses, especially the data on public official and related persons.

The Decision establishing that the public official did not perform infringement of this Law, i.e. data regarding adoption of this decision, may not be published without the consent of the public official to whom they refer.

VI. CRIMINAL PROVISIONS

Article 49

Public official-natural entity shall be punished with a pecuniary sentence from EUR 300 to EUR 1500 for a misdemeanour if he:

- 1) does not report to the Commission the incomes he acquired through performing of scientific, teaching, cultural, artistic and sports activities or from copyright, patent and similar rights of intellectual and industrial property as well as incomes acquired through work in permanent or interim working bodies and mixed commissions established by an authority (Article 6 paragraphs 1 and 2);**
- 2) does not transfer his management rights in a public company, another company, institution or other legal entity he owns, i.e. which he founded , to another legal or natural person which is not related to him, within 30 days from the day of election, appointment or nomination for the public office (Article 7 paragraph 1);**
- 3) does not submit to the Commission the data on person to whom he transferred the management rights and evidence on transfer of management rights, within five days from the day of transfer of management rights (Article 7 paragraph 3);**
- 4) does not file resignation to duty, i.e. office of the president or member of the management body or supervisory body, executive director or member of management in a company, within 30 days from the day of election, appointment or nomination to the public office (Article 8 paragraph 2);**

5) is the president or member of the management body and supervisory body, executive director, member of management of a public company, public institution or other legal entity in more than one public company or public institution in which state i.e. municipality is the owner (Article 9 paragraph 2);

6) does not submit the resignation from public office when during performing of a public office he accepts to discharge the office of the president or member of the management body or supervisory body, executive director or member of management in a company, public company, public institution or other legal entity with capital share owned by the state, i.e. municipality within 30 days from the commencement of discharge of another office, i.e. duty (Article 10);

7) concludes contract on provision of services to a public company or a contract on provision of services to other company which is in contractual relation with, i.e. performs affairs for the Government of Montenegro or the municipality, except for if the value of that contract is under EUR 500 at the annual level (Article 11);

8) following the opinion of the Commission that there is conflict of interest, he is not exempted from participation in the discussion and decision-making (Article 12 paragraph 4);

9) accepts money, securities or precious metal regardless of their value, or a gift, except for the protocol or occasional gift of minor value (Article 14 paragraphs 1 and 2);

10) does not submit to the body where he discharges the public office, within eight days, a written report on the offer referred to in Article 15 paragraph 2;

11) does not submit the gift he was not able to refuse nor return to the gift-giver, to the authority where he discharges the public office (Article 15 paragraph 3);

12) does not return the gift nor equivalent pecuniary value of the gift in case the authority where the public official discharges the public function and body in charge of election i.e. nomination of the public official confirm the assessment of the Commission that he was receiving gifts in contravention with this Law (Article 18 paragraph 3);

13) does not submit the report to the Commission within 30 days from entry into the office on his property and incomes, as well as property of the spouse and children if they live in a shared household, pursuant to the state-of-affairs on the day of election, appointment or nomination (Article 19 paragraph 2);

14) does not provide the accurate and complete data in the report (Article 19 paragraph 2);

15) during discharge of public function, he does not submit the declaration once a year, by the end of March of the current year for the previous year, and does not report the change of data from the report referring to increase in assets exceeding EUR 5000 within 30 days from the day of occurrence of the change (Article 19 paragraph 3);

16) does not inform the Commission when his public office is terminated and does not submit the report within 30 days from the day of termination of the public office and upon expiration of one year from termination of the office, pursuant to the state-of-affairs on the day of submission of the report (Article 19 paragraph 4);

17) on the occasion of transfer to another public office as well as in case of election, nomination i.e. appointment to another public function in the sense of Article 9 paragraphs 2 and 3 of this Law, within 30 days from the day of occurrence of the change he fails to inform the Commission (Article 19, paragraph 5);

Member of family of the public official – natural entity shall also be sentenced by a pecuniary sentence in the amount from EUR 30 to EUR 300 (Article 14 paragraph 5) for the misdemeanour referred to in paragraph 1 item 9 of this Article.

For misdemeanour referred to in paragraph 1 items 9, 11 and 12 and paragraph 2 of this Article, safeguard measure of seizure of the object – gift shall be pronounced.

Article 50

Pecuniary sentence in the amount from EUR 1000 to EUR 10000 shall be imposed on a body i.e. legal entity if it:

- 1) fails to put out of force the decision adopted in conflict of interests (Article 12 paragraph 5);
- 2) fails to submit to the Commission the extract from the records of gifts it keeps by the end of March of the current year for the previous year (Article 17 paragraph 1);
- 3) fails to inform within 30 days the Commission on relieving of duty, suspension or pronouncing of a disciplinary measure to the public official (Article 38 paragraph 2).

Pecuniary sentence for the misdemeanour referred in paragraph 1 of this Article in the amount from EUR 300 to EUR 1500 shall be imposed on the accountable person in the legal entity or state body and local administration body and local government body.

Article 51

Pecuniary sentence in the amount from **EUR 300 to EUR 1 500** shall be imposed for a misdemeanour to the person whose public office ceased, if within **two** years upon termination of the public function that person:

1) acts before the authority where he discharged the public function as a representative or authorized person of the legal entity which has or establishes business relations with that authority (Article 13 item 1);

2) represents a legal or natural entity before the authority where he discharged the public office, in the case in which he took part in decision-making as a public official (Article 13 item 2);

3) discharges affairs of management or audit in a legal entity in which, at least one year prior to termination of the public function, his duties were connected to the supervisory or control affairs (Article 13 item 3);

4) enters into contractual relations or other form of business cooperation with the authority where he discharged the public office (Article 13 item 4);

5) uses, for the purpose of acquiring benefits for himself or another person or for the purpose of inflicting damage to another person, knowledge and notifications he obtained during discharge of the public office, except if these knowledge and notifications are available to the public (Article 13 item 5).

In addition to the punishment for misdemeanours referred to in paragraph 1 of this Article, the safeguard measure of prohibition of discharge of activities in duration **from one month to six months** may be pronounced.

VII TRANSITIONAL AND FINAL PROVISIONS*

Article 52

Parliament shall form the Commission referred to in Article 41 of this Law within 90 days from entry into force of this Law.

By the day of establishment of the Commission referred to in paragraph 1 of this Article, its affairs shall be carried out in line with this Law by the Commission for Establishment of Conflict of Interests.

Article 53

The Commission shall, within 90 days from the day of its establishment, adopt the rules, Rules of Procedure and other acts in accordance with this Law.

Article 54

The Commission shall, within 30 days from the day of its establishment take over the official premises, cases and other documents, equipment, means for work and other assets used by the Commission for Establishment of the Conflict of Interests.

Article 55

The Commission shall, within 30 days from the day of its establishment, take over the employees in the Professional Service of the Commission for Establishment of Conflict of Interests. Employees referred to in paragraph 1 of this Article which are not deployed in line with the act on internal organization and job description of the Professional Service, shall exercise labour rights and related rights in line with the regulations governing rights and obligations of civil servants and state employees.

Article 56

A public official who was not obliged to submit the income and property report until the day of entry into force of this law to submit, pursuant to the Law on Conflict of Interests, shall submit the Report referred to in Article 19 paragraph 3 indent 1 of this Law within 15 days from the day of adoption of the by-law referred to in Article 21 paragraph 3 of this law.

Article 57

Entry into force of this Law puts out of effect the Law on Conflict of Interests (Official Gazette of the Republic of Montenegro 42/04 and 17/05).

Article 58

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

* Refers to the Law on Prevention of Conflict of Interests (Official Gazette of the Republic of Montenegro 1/ 09 of 9 January 2009).