

BDK Newsletter

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Amendments to the Rules on OTC Transactions

The recent amendments to the Montenegrin rules regulating OTC trading with securities¹ (the “**Amendments**”) limit the freedom of parties to determine purchase price in an OTC transaction, by prescribing that the purchase price of a share package sold over-the-counter has to be per share equal to the weighted average stock exchange price of the relevant share over the period of three days preceding the transaction, subject to permitted deviation of +/- 10%. Larger deviations may be exceptionally approved by the Securities Commission. The Amendments do not offer any guidance with respect to the criteria warranting exceptional deviations, which creates legal uncertainty.

If the relevant shares have not been traded at the stock exchange for a period of six months prior to the OTC transaction, the parties may freely determine the purchase price.

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¹ Pravila o izmjeni i dopuni Pravila o načinu trgovanja blokom akcija