

Republic of Montenegro

Legal Provisions

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GENERAL REMARKS

The purpose of this document is to give an overview of trade-related legal provisions and regulations, particularly those relevant for small and medium sized Swiss companies operating from outside the target country. It outlines the current state of legislation and, to the extent possible, its practical application.

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CUSTOMS LAW AND DUTIES

Montenegro has signed the Stabilization and Association Agreement and Interim Agreement on Trade and Trade - related matters with EU countries. Montenegro is also a signatory of PEM convention and has free trade agreements with Ukraine, Russia, Turkey, CEFTA and EFTA countries. Customs Administration of Montenegro (*Uprava carina Crne Gore*) is the authority within Montenegro Ministry of Finance and Social Welfare in charge of custom issues. Goods imported in Montenegro are generally subject to VAT (commonly 21%).

IMPORT REGULATIONS / NON-TARIFF RESTRICTIONS

Import of goods into Montenegro is primarily legislated by two laws: The Customs Law and the Law on Customs Administration. Companies registered under the customs jurisdiction of Montenegro can apply for a special status if they meet the necessary requirements. The special status means the company will suffer fewer customs checks including physical and documentation checks, unless the customs authority decides otherwise, for the purposes of safety of the customs territory. The Customs Law lists general cases in which no fees shall be paid, among which are educational, scientific, and cultural material and scientific instruments and apparatuses, instruments and apparatuses used in medical research, diagnostics and treatment etc.

Montenegro has also entered into various international agreements with countries who were given special import benefits, such as smaller import tariffs or no tariffs whatsoever.

Furthermore, weapons (arms) and military equipment are considered controlled goods and as such are subjects to special rules regarding import/export procedures.

In 2021 a Decision entered into force which allowed for the exclusion of medical supplies and protective equipment that enter the country as donations for alleviating the effects of the COVID-19 pandemic from payments of VAT and import tariffs.

PRODUCT REGISTRATION AND TECHNICAL STANDARDS

The law which regulates product registration and technical standards is the Law on Technical Requirements for Products and Assessment of Conformity, with applicable bylaws.

To meet the standards of the international community and the European Union regarding standardization The Institute for Standardization of Montenegro (<https://isme.me/en/>) was created. The Institute is responsible for adopting and amending Montenegrin standards and related documents; participation and review of standards and related documents formulated by international and European organizations for standardization in areas of interest to Montenegro, and for which Montenegrin standards and documents are expected to be adopted. The Institute prepares yearly plans for adopting standards as well.

CURRENCY REGULATIONS AND OTHER TRANSFER RESTRICTIONS

Montenegro is neither a member of the European Union nor the Eurozone but has unilaterally adopted the euro (EUR) as its de facto currency and as such is freely traded in the country. However, persons travelling with cash exceeding the value of EUR 10.000 must report it to the Customs.

The procedure contributes to combatting money laundering, terrorism as well as crime and supports security as well preventing felonies. To that end, banks and other financial institutions are required to follow the rules laid down by the Law on Prevention of Money Laundering and Financing of Terrorism.

The Central Bank of Montenegro (<https://www.cbcg.me/en>) retains the exclusive right to issue banknotes and coins, should Montenegro ever introduce its own currency.

COMMERCIAL REGISTER AND OTHER SOURCES OF COMPANY INFORMATION

Montenegro through the Central Registry of Business Entities, as a single centralized electronic database, maintains registers of the said entities.

Additionally, other information regarding (licenses, permissions, requests, etc.) may be found on the government's electronic information site: eUprava (<https://www.euprava.me/en?alphabet=lat>).

LEGAL FORMS OF COMPANIES

The available legal forms of companies in Montenegro are:

- 1) General partnership (*ortačko društvo*);
- 2) Limited partnership (*komanditno društvo*);
- 3) Limited liability company (*društvo sa ograničenom odgovornošću*); and
- 4) Joint stock company (*akcionarsko društvo*).

REGULATIONS GOVERNING SALES AGENTS AND COMMERCIAL REPRESENTATIVES

Montenegrin Law on Obligations recognizes sales agents (*posrednik*) and commercial representatives (*trgovinski zastupnik*). Commercial representatives undertake to constantly strive that third parties conclude agreements with his principal, to mediate between them, as well as to conclude agreements with third parties in the name and on behalf of the principal. Sales agents undertake to seek to find and bring into agreement with the principal a person who would negotiate with him on the conclusion of a particular agreement. Generally, sales agents and commercial representatives hold right to seek compensation, provided that the agreement in question is concluded.

Currently, Montenegro does not have laws governing specifically real estate sales agents, thus these sales agents do not need to obtain any certification in order to perform activities. Such a law is expected to be adopted soon.

ENTRY CONDITIONS FOR STAFF PERFORMING MAINTENANCE OR REPAIR SERVICES

There are no specific norms that establish entry conditions for staff performing maintenance or repair services, other than basic following rules regulating entry of foreigners (<https://www.gov.me/en/documents/e8ac34ee-953a-457c-944a-f9568b1aab65>) and labor matters, if applicable.

Please note that due to COVID-19 restrictions, entry conditions in Montenegro are subject to frequent changes. Current entry conditions are available with the Ministry of Foreign Affairs (<https://www.gov.me/en/article/entry-and-exit>).

PROTECTION OF INTELLECTUAL PROPERTY

Intellectual property rights are regulated separately for each area. The following laws are relevant (available in Montenegrin only):

- Patent Law - <http://www.ziscg.me/content/zakonpatent.pdf>
- Trademark Law - <http://www.ziscg.me/content/zakonzig.pdf>
- Law on Legal Protection of Industrial Design - <http://www.ziscg.me/content/zakondizajn.pdf>
- Law on Copyright and Related Rights - <http://www.ziscg.me/content/zakonautpravo.pdf>
- Law on Geographical indications - <http://www.ziscg.me/content/zakongeoporijeklo.pdf>
- Law on Semiconductor Topography - <http://www.ziscg.me/content/zakontopografija.pdf>

The highest authority in this field is Intellectual Property Directorate, within the Ministry of Economic Development.

PROCEDURES FOR COLLECTING PAYMENT

The usual financial information and debt-collection agencies are also present in Montenegro (e.g. <https://www.bierensgroup.com/hr/naplata-potrazivanja-u-crnoj-gori/> , <http://incasso.me/naplata-potrazivanja/>)

ENFORCING COMMERCIAL CONTRACTS AND RESOLVING DISPUTES

According to most recent data from the Doing Business scale of the World Bank (<https://www.doingbusiness.org/en/data/exploretopics/enforcing-contracts>), Montenegrin enforcing contracts indicator shows that enforcement of commercial contracts in Serbia is slower in pace than the middle value for Europe and Central Asia.

On a general note, options for resolving disputes other than judiciary resolution, include amicable resolution, mediation and arbitration.

Arbitration Court at the Chamber of Commerce of Montenegro is a local affordable arbitration centre based in Podgorica.

OVERVIEW OF PUBLIC PROCUREMENT SYSTEM

The public procurement system in Montenegro is regulated by the Law on Public Procurements.

The main legal body in charge of public procurements is Directorate for Public Procurement Policy as a separate entity in front of Ministry of Finance and Social Welfare (<https://www.ujn.gov.me/>). The Law on Public Procurements introduces a possibility of electronic submittal of bids on the Public Procurement Portal (<https://portal.ujn.gov.me/delta2015/login.jsp?locale=en&>).

SOURCES OF INFORMATION AND REFERENCES

The Montenegrin principle of public accessibility is embedded in the Law on Access to Information which entails the right of each individual to gain access to public documents, without giving reason thereof, however subject to certain limitations.

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