# MONTENEGRO

## LIMITED LIABILITY COMPANY (d.o.o.)
## CLIENT GUIDE 2026

Company formation, Montenegrin taxation
and annual compliance

Professional company formation
and ongoing corporate administration

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# Montenegro d.o.o. at a Glance

The društvo sa ograničenom odgovornošću (d.o.o.) is Montenegro's standard private limited liability company. It is widely used by domestic and foreign investors for trading, services, investment and holding activities. Registration is administered through the Central Register of Business Entities (CRPS), now integrated into the Tax Administration's modernised IRMS environment.

| Topic | Current legal / practical position |
|---|---|
| **Members / founders** | A d.o.o. may be established by one or more founders. Foreign individuals and legal entities may establish and own Montenegrin companies, subject to regulated-sector rules. |
| **Management** | The company appoints its authorised management / executive representatives in accordance with the Companies Law and constitutional documents. |
| **Registered office** | A registered seat in Montenegro is required and recorded in the CRPS. |
| **Minimum capital** | EUR 1 minimum initial capital for a limited liability company. |
| **Registration** | Founding act, statute, unified registration application and prescribed supporting documents are filed with the CRPS; VAT and excise registrations may be requested where applicable. |
| **Corporate income tax** | Progressive: 9% up to EUR 100,000 taxable profit; 12% marginal band to EUR 1.5 million; 15% marginal rate above EUR 1.5 million. |
| **Capital gains** | Current corporate income-tax law excludes qualifying corporate capital gains from the taxpayer's tax base - a significant statutory 0% treatment at company level. |
| **VAT** | Standard VAT 21%. Reduced rates include 7% and 15%, and a 0% rate applies to specified supplies including qualifying exports. |

## Key Benefits for International Clients

- Very low EUR 1 statutory minimum capital.
- 9% corporate tax on the first EUR 100,000 of taxable profit, with progressive 12% and 15% marginal bands thereafter.
- Current corporate tax law excludes capital gains from sale/transfer of land, buildings, property rights, equity interests and securities from the corporate tax base.
- Dividends / profit shares received from another legal person are excluded from the recipient's corporate tax base where the payer is a taxpayer under the Montenegrin corporate tax law.
- Newly established companies genuinely operating in qualifying underdeveloped municipalities can obtain a 100% corporate-tax reduction for up to eight years, subject to statutory conditions and the EUR 200,000 overall cap.
- Montenegro uses the euro and provides treaty relief and foreign-tax-credit mechanisms for international business.

## Important 2026 Tax Position

**Montenegro has genuine 0% tax provisions - but not a blanket offshore exemption**

A normal operating d.o.o. is subject to progressive corporate tax starting at 9%, and resident companies are taxed on profits earned in Montenegro and abroad. However, current law provides genuine tax-base exclusions for corporate capital gains and certain intercompany dividends, plus a conditional 100% tax reduction for qualifying new businesses in underdeveloped municipalities.

# Ownership, Capital & Taxation

| Topic | Current legal / practical position |
|---|---|
| **Foreign ownership** | Foreign founders may establish and own a Montenegrin d.o.o.; regulated sectors may require licences or additional approvals. |
| **Capital** | Minimum initial capital EUR 1. |
| **Registered seat** | Mandatory in Montenegro and recorded in CRPS. |
| **Beneficial owners** | Companies and other obliged entities must enter beneficial-owner data in the Beneficial Owners Register. Data must be checked and confirmed annually. |
| **2026 UBO confirmation** | The Tax Administration set 30 April 2026 as the deadline for the annual verification / confirmation of beneficial-owner data for the relevant cycle. |
| **Tax residence** | A legal person incorporated in Montenegro or having its place of effective management and control in Montenegro is resident. Resident taxable profit includes profit earned inside and outside Montenegro. |

## Corporate Income Tax - 9% / 12% / 15%

Montenegro applies progressive corporate income-tax rates. Taxable profit up to EUR 100,000 is taxed at 9%. For taxable profit from EUR 100,000.01 to EUR 1,500,000, tax is EUR 9,000 plus 12% of the amount above EUR 100,000. For taxable profit above EUR 1,500,000.01, tax is EUR 177,000 plus 15% of the amount above EUR 1,500,000.

### Capital gains: statutory exclusion from the corporate tax base

Current 2026 corporate income-tax legislation states that capital gains from the sale or transfer of land, buildings, property rights, equity interests and securities are excluded from the taxpayer's tax base. This can create a genuine 0% corporate-tax result on qualifying capital gains. Transaction structure, withholding rules and the tax position of the seller must still be checked.

## Dividends & Withholding

Dividends and profit shares received from another legal person are excluded from the recipient's corporate tax base where the payer is itself a taxpayer under the Montenegrin corporate income-tax law. Payments of dividends and specified income are generally subject to 15% withholding tax, with double-tax treaties and qualifying statutory relief potentially providing a lower rate or exemption.

## Eight-Year 100% Tax Reduction

A newly established legal entity that genuinely carries on activity in an economically underdeveloped municipality may reduce calculated corporate income tax by 100% for the first eight years. The total relief is capped at EUR 200,000 and exclusions apply, including specified sectors and restructuring / related-founder situations. A timely application and detailed eligibility review are essential.

## VAT - 21%, 15%, 7% and 0%

The standard VAT rate is 21%. Montenegro also applies reduced rates, including 7% and a 15% rate introduced from 1 January 2025 for specified goods and services, plus 0% treatment for qualifying supplies such as exports. The exact rate depends on the transaction.

# Formation Process & Documents Required

**1. Structure and tax review 2. Company name and Montenegrin registered office 3. Founder / management / UBO KYC 4. Founding act and statute 5. Capital contribution 6. Unified CRPS registration application 7. Tax / statistical registration through the integrated system 8. Beneficial-owner registration 9. VAT, excise, employment and licensing registrations where applicable**

The official business portal lists the founding act, statute, written consents where applicable, administrative fees and unified registration application among the core d.o.o. registration documents. A single-member company may use the prescribed single-member founding decision form. Foreign documents may require apostille/legalisation and certified translation.

# Official Capital & Government Costs

The officially confirmed minimum initial capital is EUR 1. Montenegro's official business portal identifies administrative charges as part of the registration process, but because the total cost depends on the filing route, documents and services required, this guide does not invent a universal all-in 2026 government formation fee. BRIS professional fees and third-party expenses are quoted separately.

## Documents Required from the Client

- Passport / acceptable ID for founders, management and beneficial owners.
- Recent proof of residential address.
- For corporate founders: recent registry extract, constitutional documents, directors / authorised representatives and ownership chain.
- Proposed company name, Montenegrin registered office and detailed activities.
- Ownership percentages, capital and management / signing arrangements.
- Expected countries, customers, suppliers, turnover and transaction profile.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Apostilled/legalised and certified translated foreign documents where required.

## Accounting, Annual Accounts & Tax Filing

Companies must keep accounting records and prepare annual financial statements in accordance with Montenegrin accounting legislation and applicable standards. Corporate income-tax returns and financial statements are filed electronically with the Tax Administration / IRMS.

### Special 2026 filing extension

For 2025 financial statements and corporate income-tax returns, the Tax Administration ultimately extended the 2026 filing deadline to 30 April 2026 because of the IRMS transition. The statutory corporate tax payment deadline itself remained 31 March 2026. Future-year deadlines must be checked separately.

## Annual Compliance Checklist

- Maintain registered office and current CRPS particulars.
- Maintain founder, management and beneficial-owner information.
- Verify / confirm Beneficial Owners Register data annually and report changes as required.
- Keep statutory accounting books and supporting documentation.
- Prepare annual financial statements.
- File corporate income-tax return and pay progressive tax where applicable.
- File VAT, payroll and withholding returns where applicable.
- Review capital-gain exclusion, dividend exclusion, treaty relief and foreign-tax credits.
- Reassess audit, transfer-pricing and incentive requirements annually.

# International Business & Tax Planning

Montenegro is especially interesting because it combines a low 9%-15% progressive corporate-tax system with specific statutory exclusions capable of producing genuine 0% corporate tax on qualifying income. It is nevertheless not a territorial or general offshore-tax jurisdiction: resident companies are taxable on profits earned both in Montenegro and abroad.

### Three tax advantages that should be examined before dismissing Montenegro as '9%-15% only'

1) Corporate capital gains on specified assets, including equity interests and securities, are excluded from the corporate tax base under current law. 2) Certain dividends / profit shares received from another Montenegrin corporate taxpayer are excluded from the recipient's tax base. 3) Qualifying newly established businesses in underdeveloped municipalities can obtain a 100% corporate-tax reduction for up to eight years, capped at EUR 200,000. Each relief has its own legal conditions.

## International Payments & Treaties

Domestic withholding tax is generally 15% on dividends and specified payments, with a higher domestic rate possible for certain recipients in listed low-tax / non-cooperative territories. Montenegro's double-tax treaties may provide a more favourable result where the non-resident proves treaty residence and beneficial ownership. Cross-border payments should therefore be reviewed before distribution.

## How BRIS Group Supports You

**Structure & tax review -** Assess d.o.o. suitability, progressive 9% / 12% / 15% tax, capital-gain and dividend exclusions, eight-year incentive, VAT and treaty issues.

**Company formation -** Coordinate foreign founder documents, registered office, founding act, statute, capital and CRPS / IRMS registration.

**KYC / UBO -** Coordinate founder, management, beneficial-owner and source-of-funds / source-of-wealth due diligence.

**Accounting & compliance -** Coordinate bookkeeping, annual accounts, corporate tax, VAT, withholding, transfer pricing and audit support where required.

**Banking -** Prepare corporate and KYC documentation and coordinate Montenegrin / international banking support where available.

## Professional Fees & Official Sources

### Professional fees are quoted separately

This guide is informational and is not a fee quotation. BRIS Group professional fees and third-party costs - including registered office, translations, accounting, tax, VAT, audit, licensing, immigration and banking support - are quoted separately according to the required services.

Official sources reviewed for this 2026 guide: Government / Tax Administration of Montenegro - current Corporate Income Tax Law and July 2026 tax-law publications; official Business Portal - d.o.o. registration and EUR 1 minimum capital; Tax Administration - IRMS, 2026 financial-statement / corporate-tax filing extensions and Beneficial Owners Register; current VAT legislation and Tax Administration guidance on 21%, 15%, 7% and 0% VAT treatment.

**PREPARED BY BRIS GROUP**

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Professional incorporation and corporate administration for international clients.