



MONTENEGRO

Montenegro - Civil Law

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Incorporating a company in Montenegro

Montenegro taxes

Want to setup a company? This will tell you about tax laws for a LLC, which is the most common legal entity in Montenegro.

Montenegro imposes corporate tax on resident companies worldwide income. The prevailing estimated tax rate for offshore income, from our research, but seek professional advice, is 9%. Montenegro may not have major incentives to bring in offshore income made internationally. Taxes are low in Montenegro because the CIT rate is 9%. This ranks Montenegro as 32nd overall with regards to corporate tax rate worldwide.

The VAT rate in Montenegro is 19.00%, which ranks Montenegro as 127th overall with regards to VAT taxation rate internationally. In terms of other taxation, an employer will contribute 10.30% to the equivalent of a social security fund and an employee will contribute 24.00%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 98 hours. Contributing to this is the number of yearly labor tax payments, which is 2 in ME.

Thin capitalization standards are not officially enacted. Thin capitalisation refers to any type of requirements on given company with respect to debt-to-asset ratios. Dividends payments between resident companies are subject to a final withholding tax of 9%. Dividends received by domestic companies from foreign companies are included in income tax base, but there are usually available tax credits for foreign tax paid limited to the amount that would be calculated using Montenegrin rates. Dividends are distributions of a company's earnings, decided by the board of directors, to a class of its shareholders. Dividends can be one of the following stock, cash, or property. Capital Gains are considered ordinary income and taxed at corporate income standard tax rate of 9%. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 9%. Which means that the tax authorities expects legal entities to automatically withhold 9% of payments abroad on interests. The dividends withholding tax rate is 9%. This should be interpreted that usually the taxman expects relevant legal entities to pay tax on 9% of dividends remitted abroad. Royalties are also subject to a withholding tax of 9%. This means that any payment to non-resident on royalties is taxed at a 9% rate. Withholding tax rates may be reduced under a tax treaty.

There is no known tax on wealth in Montenegro. There are inheritance, transfer and real property taxes in ME. We are not aware of any popular and well known R&D initiatives that provide breaks on taxation in this country.

The above is not tax or legal advice for your particular personal tax obligations. Incorporations.io can point you to a lawyer in Montenegro who can give you the proper advice and help you need. Ready to get started? Click the free consultation button above.

The vat rate in Montenegro is 19% which ranks 127 in the world.

- ✓ **Patent box**
- ✗ **RND credit**
- ✗ **Wealth tax**
- ✓ **Estate tax**
- ✓ **Transfer taxes**
- ✗ **Asset taxes**
- ✗ **Capital duties**

- 30** **Tax treaties**
- 9%** **Offshore Tax**
- 9%** **Corp rate**
- **Loss carryback years**
- 43** **Corporate time**
- 19%** **VAT rate**
- 9%** **Capital gains**
- No** **AEOI planned**

Montenegro Legalese

When incorporating, you must look at the law in the country, in Montenegro is civil law law. You will want to get some local advice as to how to best structure a company in Montenegro. Electronic signatures are permitted.

The country code ME is for Montenegro and the most common company type in Montenegro is a LLC.

It typically takes about 11 weeks to put together the paperwork and file a LLC in ME. The types of cash you can use to setup your company is often EUR and any legal currency.

Yes, one is allowed to re-domicile a LLC from ME. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LLC in ME by yourself. Corporate Shareholders are never used. Foreign ownership is encouraged, up to 100% of the total shareholding.

A LLC is only required to have one director. Speaking of shareholders, corporate directors are not permitted. Directors are disclosed publicly. There is a requirement to have annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for a professional firm which can receive any lawsuit papers on behalf of the registered legal entity. Furthermore, a company secretary is a requirement.

There is a legal obligation to file accounts on a yearly basis. Furthermore, there is oftentimes a requirement to have these accounts audited.

Overall we think Montenegro is a good option and have given it a score of 71 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✗ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✗ **Corporate director permitted**
- ✓ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 1 Directors required**
- 11 weeks to form**



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Country Info



🚩 National Flag of

Црна Гора (srp)

\$ Currency

EUR

📞 Area Code

+382

🏰 Capital

Podgorica

📍 Region

Southern Europe

🌿 Native Languages

Montenegrin