

Company Structure

Comparison of different entities in MNE	LLC	Agribusiness company	Tourism company	Joint-stock company	Representative office	Energy company
Local name	D.O.O Društvo sa ograničenom odgovornošću	Poljoprivredna kompanija	Turistička kompanija	A.D. Akcionarsko društvo	Predstavništvo	Energetska kompanija
Best use of company?	All products / services	Agriculture, dairy, processing and related activities	Construction and furnishing of hospitality business	To get public funding	Marketing / research activities	Construction of energy generation facilities
How soon to invoice Clients?	2 weeks	2 weeks	2 weeks	5 weeks	Can't invoice	4 weeks
How soon you can hire staff?	2 weeks	2 weeks	2 weeks	5 weeks	4 weeks	4 weeks
How soon you can sign lease agreement?	1 week	1 week	1 week	1 week	1 week	1 week
How long to supply corporate bank a/c	4 weeks	4 weeks	4 weeks	4 weeks	4 weeks	4 weeks
How long to supply company registration/ tax numbers?	2 weeks	2 weeks	2 weeks	5 weeks	4 weeks	5 weeks
Corporate tax rate on annual net profits?	9%	9%	9%	9%	0%	9%
Limited liability entity?	Yes	Yes	Yes	Yes	No	Yes
Government grants / incentives available?	Yes	Yes	Yes	Yes	No	Yes
Government approval required for foreign owners?	No	No	No	No	No	No
Responsible director / partner / legal representative required?	No	No	No	No	No	No
Minimum paid up share capital?	1€	1€	1€	25 000€	1€	1€
Can bid for Government contracts?	Yes	Yes	Yes	Yes	No	Yes
VAT payable on sales to local customers?	21%	0%	0% for hotels with 5 or more stars	21%	0%	0% if capital investment is done
Average total engagement period?	2 months	2 months	2 months	3 months	2 months	3 months

Advantages

Incorporating business in Montenegro is fast and uncomplicated process
Our client does not need to travel to Montenegro to complete company formation
One individual director of any nationality and residency
100% foreign ownership of legal entities is permitted
Montenegro offers the lowest income tax rates in Europe at a flat rate of 9%
Montenegro has concluded more than 40 double tax treaties that may help reduce or eliminate withholding taxes with global jurisdictions
VAT exemptions on construction of high-end hotels, food production and energy-production facilities
An 8-year tax exemption of up to 200.000 € for companies newly incorporated in underdeveloped municipalities
Reduced VAT rate at the rates of 7% on purchase of IT equipment and 0% on other selected basic products
Resident entities are entitled to a foreign tax credit on taxes levied on income realized abroad; but not exceeding the amount that would have been paid locally
Tourism Development Strategy 2020 aims to improve all its infrastructural facilities in order to make the country an all-year destination for tourists