



# Montenegro

## VAT Standard rate

VAT standard rate in the Republic of Montenegro in 2023 is 21%, which applies to sales of goods and imports.

## VAT Reduced rate

VAT reduced rate in Montenegro is 7%. It applies to some products such as basic products, books, medicines and medical devices, computer equipment and other.

Export of goods is taxable of 0%.

## VAT registration threshold

Businesses have to register for VAT in Montenegro if their revenue exceeded EUR 30,000 in the previous 12 months.

## Deductible VAT

Businesses can refund the input tax by deducting it from the output tax. The input tax includes VAT charged on goods supplied to Montenegro and VAT paid on import. There is 5 years period within which such refund is allowed.

## Registration procedure

Businesses must fill the registration form for VAT in Montenegro during a period of 20 days of the month following the month in which the Montenegro VAT threshold was exceeded.

## **Keeping records**

The period of keeping records in Montenegro must be at least five years.

## **VAT returns filing and payment date**

The VAT returns in Montenegro are submitted on monthly basis. The deadline for filing and payment is the 15th of the month following the reporting period.

## **Penalties**

Penalty for late registration for VAT in Montenegro – from EUR 3,000 to EUR 10,000.

Penalty for late payment and filing VAT return – from EUR 6,000 to EUR20,000.

Penalties for mistakes in VAT returns – from EUR 6,000 to EUR 20,000.

Penalties for shortfalls – punishment in the form of imprisonment for a term from 1 to 10 years.

