

LAW ON FREE ZONES

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Pursuant to Article 82 paragraph 1 item 2 and Article 91 paragraph 1 of the Constitution of Montenegro, the Parliament of Montenegro of the 28th convocation, at the First Regular Session in 2026, on 2 February 2026, has passed the

THE LAW

ON FREE ZONES*¹

I. GENERAL PROVISIONS

Subject Matter of the Law

Article 1

This Law shall regulate the establishment of free zones, management of free zones, conditions for performing economic activities in free zones and termination of operation of a free zone.

Free Zone

Article 2

- (1) Free zone shall be a part of the customs territory of Montenegro where economic activities shall be performed under the conditions laid down by law.
- (2) Free zone may be established in a port area pursuant to the law governing ports, in an airport area, in the zone of international transport corridors or in another area where spatial planning and other conditions for the establishment and functioning of a free zone exist.

Appropriate Application

Article 3

¹ (Official Gazette of Montenegro 012/26 as of 6 February 2026)

Provisions of the Customs Law shall apply mutatis mutandis to the entry, storage, transit and exit of goods from the area of a free zone, unless otherwise provided by this Law.

Using Gender-Sensitive Language

Article 4

All terms used in this Law for natural persons in the masculine gender shall mean the same terms for the feminine gender.

Definitions

Article 5

For the purposes of this Law, the following definitions shall apply:

- 1) founder shall be a person who establishes a free zone pursuant to this Law;
- 2) operator shall be a company that manages a free zone and provides conditions for the uninterrupted performance of activities in the free zone;
- 3) user shall be a company or entrepreneur that performs activities in the free zone pursuant to the law and to which the customs authority issues approval to perform activities in the free zone;
- 4) agent shall be a legal or natural person who on the basis of a contract or other legal ground performs actions related to goods in the free zone in the name of or on behalf of a user or operator;
- 5) freight forwarder shall be a person registered to perform freight forwarding services pursuant to special regulations;
- 6) electronic goods management system shall be an information system that enables electronic recording, monitoring, control and management of goods in the free zone through electronic tools;
- 7) transshipment shall be the loading or unloading of products and goods from one means of transport to another;
- 8) tobacco shall be leaves of processed tobacco and other natural processed or unprocessed parts of tobacco including expanded and reconstituted tobacco;
- 9) tobacco products shall include cigarettes, cigars, cigarillos, smoking tobacco (fine-cut tobacco for rolling cigarettes and other smoking tobacco), products intended for inhalation of vapour without combustion, chewing tobacco, snuff tobacco for oral use, water pipe tobacco, electronic cigarettes and novel tobacco products.

II. ESTABLISHMENT OF FREE ZONES

Founder

Article 6

- 1) Free zone may be established by one or more companies or entrepreneurs registered in Montenegro.
- (2) Founders of a free zone may also be companies that have concluded a public-private partnership agreement.

Competence

Article 7

- (1) Free zone shall be established with the consent of the Government of Montenegro (hereinafter referred to as: the Government) upon the proposal of the state administration authority responsible for affairs relating to free zones (hereinafter referred to as: the Ministry).
- (2) The decision granting consent for the establishment of a free zone shall be published in the Official Gazette of Montenegro.

Operator

Article 8

- (1) Founder or founders shall establish the operator of the free zone.
- (2) Founder of a free zone may also be the operator if he meets the conditions laid down by this Law.
- (3) A free zone shall have only one operator.
- (4) The operator may be established as a limited liability company or as a joint stock company.
- (5) The responsible person and members of the management bodies of the operator shall not be persons who have been finally convicted of criminal offences that render them unworthy of performing their function.
- (6) The founder shall establish the operator within 30 days from the date of obtaining the consent of the Government for the establishment of a free zone.
- (7) The founder and the operator shall be jointly and severally liable for the fulfilment of obligations relating to the establishment organization and functioning of the free zone pursuant to this Law towards the state and the administrative authority responsible for customs affairs (hereinafter referred to as: the customs authority).

Changing the Free Zone Operator

Article 9

- (1) Founder of a free zone may change the operator of the free zone with the prior consent of the Government.
- (2) The request for granting consent referred to in paragraph 1 of this Article shall be submitted to the Ministry which, following the procedure and obtaining the opinions of the competent authorities pursuant to this Law, shall submit to the Government a proposal for a decision.
- (3) The new operator shall assume the rights and obligations of the operator towards users and the customs authority from the date of entry into force of the Government's decision granting consent for the change of operator unless otherwise laid down by this Law.
- (4) Previous operator shall be responsible for obligations until the new operator takes over the duties, in line with the handover record which shall be submitted to the customs authority.
- (5) Ministry shall prescribe in more detail the conditions, content of the request and the procedure for changing the operator.

User

Article 10

- (1) User of a free zone shall be a company or entrepreneur registered in Montenegro that performs an economic activity within the free zone.

- (2) User of a free zone may also be the operator.
- (3) In the case referred to in paragraph 2 of this Article, the rights and obligations of the operator as a user shall be defined by a contract with the founder and, if the operator is also the founder, the rights and obligations of the user shall arise directly from this Law, secondary legislation and the consent of the customs authority.
- (4) User shall obtain consent for performing activities in the free zone from the customs authority prior to commencing the performance of activities.

Conditions for Establishing the Free Zone

Article 11

- (1) Free zone shall be established provided that it is economically justified and all conditions for its establishment referred to in Articles 12 to 15 of this Law are met.
- (2) Economic justification shall exist if, on the basis of a study on economic justification and other submitted evidence, it may be estimated that the operation of the free zone shall contribute to attracting foreign and domestic investment, increasing production and export, employment, introducing and applying modern technologies and achieving the economic policy measures of the Government.
- (3) Conditions for establishing a free zone shall include:
 - 1) spatial conditions – defined zone boundaries in spatial planning documentation, provided or planned access to public transport infrastructure (roads, railway, port, airport), a plan of spatial capacity and the possibility of future expansion;
 - 2) technical conditions – proof that the conditions for planning and construction of facilities and infrastructure are met in line with the regulations governing spatial planning and construction of facilities;
 - 3) security conditions – a plan or concept of physical and technical protection and video surveillance of the free zone area with clearly defined control points of entry and exit, with the obligation that, prior to the commencement of operation, system which enables the customs authority direct and discreet access to video surveillance in line with a rulebook adopted by the Ministry shall be provided;
 - 4) organizational conditions – plan and measures of the founder ensuring management maintenance and coordination of construction and functioning of facilities and infrastructure;
 - 5) environmental protection conditions – plan of measures, actions and activities of the founder ensuring compliance with regulations governing environmental protection and implementation of environmental impact assessment in line with special regulations.
- (4) At the stage of establishing a free zone, legal, planning and conceptual prerequisites for meeting the conditions referred to in this Article shall be provided, without the obligation of prior physical equipping or construction of infrastructure and systems, which shall be established prior to the commencement of the free zone operation.

Initiative for Establishing the Free Zone

Article 12

- (1) Founder or founders shall submit an initiative for establishing a free zone to the Ministry.
- (2) The initiative referred to in paragraph 1 of this Article shall contain a draft act on establishment referred to in Article 13 of this Law and a draft study on economic justification for the establishment of a free zone.

- (3) Ministry may request additional documentation for the purpose of determining the regularity and completeness of the request and may provide non-binding recommendations for the purpose of harmonisation with this Law and other regulations.
- (4) Ministry shall notify the founder of the acceptability of the initiative within 30 days from the date of submission of a complete initiative.
- (5) Should the initiative be assessed as acceptable, the Ministry shall set a deadline, for the founder, to submit a request for granting consent for the establishment of a free zone.
- (6) The initiative referred to in paragraph 1 of this Article shall be deemed withdrawn should the founder fail to submit the request referred to in paragraph 5 of this Article within the prescribed deadline.

Act Establishing a Free Zone

Article 13

- (1) Following the assessment of the initiative as acceptable, the founder shall adopt a decision on establishing a free zone which shall, in particular, contain:
 - 1) name and seat of the founder;
 - 2) name and seat of the free zone;
 - 3) geographical location and the area covered by the free zone;
 - 4) designation of the operator of the free zone;
 - 5) composition of the management bodies of the operator; and
 - 6) economic activities to be performed in the free zone.
- (2) Should a free zone have more than one founder, their mutual rights, obligations and manner of management shall be defined by an establishment agreement which shall contain the elements referred to in paragraph 1 of this Article.
- (3) Ministry shall prescribe in more detail the content of the act establishing a free zone.

Request for Granting Consent for Establishing a Free Zone

Article 14

- (1) Founder shall submit a request for granting consent for the establishment of a free zone to the Ministry.
- (2) In addition to the request referred to in paragraph 1 of this Article the founder shall submit:
 - 1) decision or the agreement on the establishment of the free zone;
 - 2) study on economic justification for the establishment of the free zone;
 - 3) proof of ownership or other legal basis for the use of the free zone area;
 - 4) description of measures and activities of the founder ensuring the prescribed conditions for the implementation of customs supervision planning and construction of infrastructure security and environmental protection.
- (3) Ministry shall obtain the following documentation ex officio:
 - 1) an extract from the Central Registry of Commercial Entities;
 - 2) opinions of the state administration authority responsible for internal affairs, authority for national security and the state administration authority responsible for tax affairs, in terms of compliance with the conditions laid down by the laws

- governing internal affairs, prevention of money laundering and terrorist financing, national security affairs and proper settlement of tax liabilities;
- 3) proof that the operator and members of the management bodies of the operator have not been finally convicted of criminal offences that render them unworthy of performing their function.
 - (4) Ministry may, where necessary, request opinions of other competent state administration authorities.
 - (5) Ministry shall prescribe in more detail the content of the study on economic justification.

Consent of the Government for the Establishment of a Free Zone

Article 15

- (1) Provided that the conditions referred to in Article 11 of this Law are met and positive opinions of the competent authorities are obtained, the Ministry shall submit to the Government a proposal for a decision granting consent for the establishment of a free zone.
- (2) The Government shall decide on the proposal referred to in paragraph 1 of this Article within one year from the date of submission of the request.
- (3) Decision on consent shall be repealed should the free zone not commence operations within two years from the date of publication of the decision.
- (4) Ministry shall keep records of decisions or agreements on the establishment of free zones.
- (5) The records referred to in paragraph 4 of this Article shall contain, in particular, the following:
 - 1) number and date of the decision on consent;
 - 2) name and seat of the founder;
 - 3) name and seat of the operator;
 - 4) geographical location and area of the free zone;
 - 5) date of commencement of operation and data on status changes;
 - 6) date of termination of operation of the free zone, should that be the case.
- (6) The Ministry shall prescribe in more detail the content, the form and manner of keeping the records.

Change of Data Pertaining to the Founder

Article 16

- (1) The founder shall notify the Ministry of any change in the data kept in the records referred to in Article 15 paragraphs 4 and 5 of this Law within 15 days from the date of occurrence of the change, for the purpose of updating the records.
- (2) Notwithstanding paragraph 1 of this Article, founders whose shares are traded on an organised market shall notify the Ministry of the change in ownership structure exceeding 20%.
- (3) In the case of a change in ownership structure exceeding 20% of capital in founders established as joint stock companies or limited liability companies, or in the case of any change of partner, general partner or limited partner in founders established as partnerships or limited partnerships, the Ministry shall request opinions of the authorities referred to in Article 14 paragraph 3 items 2 and 3 of this Law.

- (4) Should the authorities referred to in Article 14 paragraph 3 of this Law, as well as other authorities from which opinions have been requested in line with Article 14 paragraph 4 of this Law, submit a negative opinion from the perspective of the laws within their competence, the Government may upon the proposal of the Ministry, revoke the consent for the establishment of a free zone.

Expansion of a Free Zone

Article 17

- 1) Free zone may be expanded to a new area or surface should the conditions prescribed by this Law be met.
- (2) Provisions of this Law governing the initiative, conditions, procedure for granting consent and commencement of operation of a free zone shall apply mutatis mutandis to the procedure of expansion, unless otherwise laid down by this Law.
- (3) Expansion of a free zone shall not be approved should the spatial planning security customs and other conditions prescribed by this Law and special regulations not be met.
- (4) The Government shall adopt a decision granting consent for the expansion of a free zone, upon the proposal of the Ministry.

III. COMMENCEMENT OF OPERATION AND CUSTOMS SUPERVISION MEASURES IN A FREE ZONE

Conditions for Commencement of Operation of a Free Zone

Article 18

- (1) Following the adoption of the Government's decision granting consent for establishment, the free zone shall commence operation once the customs authority adopts a decision on commencement of operation, following the operator ensuring the meeting of customs supervision measures and other operational conditions prescribed by this Law.
- (2) Customs supervision measures referred to in paragraph 1 of this Article shall include the following:
 - 1) that the area of the free zone is fenced, clearly marked and organised so that access is possible solely through controlled entry and exit points under the supervision of the customs authority;
 - 2) that entry and exit points, facilities and the free zone area are physically and technically secured, lit and covered by external and internal video surveillance;
 - 3) that the customs authority is provided with direct continuous access to video surveillance systems and records, without the possibility of third party insight at the time of access;
 - 4) that a functional single electronic goods management system is established enabling monitoring control and management of goods in real time with complete and permanent records of all activities and changes relating to goods;
 - 5) that general operating rules of the operator are adopted and harmonised with the approval of the customs authority and that responsible persons for implementation of supervision measures are appointed.
- (3) The operator users and other persons performing activities in the free zone shall, at all times, enable the implementation of customs supervision, including unhindered

access to the area, facilities, video surveillance systems and the single electronic goods management system.

- (4) All goods entering the free zone, stored, used for processing, treatment, inward processing or usual forms of handling, as well as goods leaving the free zone, shall be recorded in the single electronic goods management system.
- (5) Users of the free zone, freight-forwarders and other persons performing activities in the free zone shall use the single electronic goods management system from the date of commencement of activities in the free zone, in line with the operating rules of the operator and the conditions of customs supervision.
- (6) National and foreign persons using the free zone, who are not users or do not have direct access to the single electronic goods management system, shall, for the purpose of data entry, conclude a goods recording agreement with the operator or a user, in line with the general operating rules of the operator.
- (7) The single electronic goods management system shall ensure permanent records of all entries, changes and access to data, whereby deletion or modification of data shall not be possible without leaving a visible trace.
- (8) The Ministry shall prescribe in more detail the technical conditions and standards for implementation of customs supervision measures.

Commencement of Free Zone Operation

Article 19

- (1) Upon the publication of the Government's decision granting consent for free zone establishment in the Official Gazette of Montenegro, the operator shall submit to the customs authority a request for issuing a decision on commencement of operation of the free zone.
- (2) The customs authority shall decide on the request referred to in paragraph 1 of this Article within 60 days from the date of submission of a complete request.
- (3) Free zone may commence operating on the date of adoption of the decision on operation commencement.
- (4) Customs authority shall adopt a decision on operation commencement should it find that the conditions for operation commencement laid down by Article 18 of this Law are met.
- (5) Should the customs authority determine that the conditions prescribed by Article 18 of this Law have ceased to be met, it shall revoke the decision on the commencement of the free zone operation.
- (6) The Ministry shall prescribe in more detail the conditions, content of the request, required documentation, manner of verification of fulfilment of conditions and the procedure for adoption and revocation of the decision on commencement of operation of a free zone.

IV. PERFORMANCE OF FREE ZONE ACTIVITIES

Free Zone Activities

Article 20

- (1) Economic activities may be performed in a free zone which are in line with this Law, special regulations and the operating rules of the free zone operator and which, by their nature and manner of performance, do not present a risk to human health, the environment, property and state security on the basis of the customs authority consent.

- (2) Economic activities referred to in paragraph 1 of this Article shall be:
- 1) production of goods;
 - 2) processing of goods;
 - 3) storage packaging and transshipment of goods;
 - 4) wholesale trade;
 - 5) logistics, freight-forwarding, transport and other activities directly related to goods in the free zone;
 - 6) innovation, research and development and technological activities, in line with the law governing innovation activities;
 - 7) business support services aimed at the international market, including customer support and contact centres, if functionally related to the activities referred to in this Article.
- (3) The provision of other services directly related to goods in the free zone and contributing to export, re-export or customs-controlled trade shall be permitted, in line with this Law and special regulations.
- (4) Services referred to in paragraph 3 of this Article may be performed by users on a permanent basis and by third parties occasionally, in line with the operating rules of the free zone operator and with the prior approval of the customs authority.
- (5) Services referred to in paragraph 3 of this Article shall include:
- 1) information and communication technology services (IT and software services), supporting the management of goods and procedures in the free zone;
 - 2) engineering and consulting services aimed at improving free zone operations;
 - 3) servicing and maintenance of equipment used in the free zone;
 - 4) education and professional training related to free zone activities.
- (6) Banking and other financial services, insurance and reinsurance services relating to property and persons, as well as retail trade shall not be performed in a free zone.
- (7) Performance of activities of production, processing, storage, temporary storage, trade, transshipment and transit of tobacco and tobacco products shall be prohibited in a free zone, in line with this Law and special regulations.

Conditions for Granting Consent to a User

Article 21

- (1) Customs authority shall, by means of a decision, grant consent for the performance of activities in a free zone to a user who meets the conditions prescribed by this Law and who submits proof that:
- 1) there are no serious or repeated violations of customs and tax regulations;
 - 2) it has a system of keeping business records and transport records;
 - 3) it meets the condition of financial solvency;
 - 4) it meets security and safety standards including access control measures handling of goods and supply chain security.
- (2) Financial solvency referred to in paragraph 1 item 3 of this Article shall mean that the applicant demonstrates financial capacity for uninterrupted performance of activities and shall submit proof that:
- 1) bankruptcy or liquidation proceedings have not been initiated;
 - 2) financial obligations are duly fulfilled; and

- 3) it has the capacity for stable operations.
- (3) For the purpose of granting consent referred to in paragraph 1 of this Article and conducting continuous customs supervision over the user, the customs authority may request an opinion from the state administration authority responsible for internal affairs and the authority for national security regarding the laws governing internal affairs, prevention of money laundering and terrorist financing and national security affairs.

Procedure for Granting Consent for the Performance of Free Zone Activities

Article 22

- (1) User shall submit a request to the customs authority for obtaining a decision granting consent for the performance of activities in a free zone.
- (2) After having obtained the decision granting consent, the user shall conclude with the operator an agreement on the use of the free zone area and shall submit a copy of the agreement to the customs authority.
- (3) For the purpose of performing activities in a free zone, the user may, in line with this Law, other regulations and the agreement concluded with the operator lease land and facilities in the free zone, construct temporary or permanent facilities, acquire ownership rights over facilities in the free zone, including purchase from the operator or another user.
- (4) The use of land and facilities referred to in paragraph 3 of this Article shall be regulated by an agreement concluded between the user and the operator, by applying regulations governing planning and construction, property relations and other matters relevant to the relevant relationship.
- (5) Should the operator be changed, rights and obligations of the user arising from the agreement referred to in paragraph 2 of this Article shall remain in force and the new operator shall assume all rights and obligations of the previous operator towards the users until the contract expires, unless otherwise agreed.
- (6) If the customs authority determines at any time that the conditions referred to in Article 21 of this Law have ceased to be met, the consent for performing activities in a free zone shall be revoked.
- (7) Customs authority shall decide on the request referred to in paragraph 1 of this Article within 90 days from the date of submission of the request.
- (8) The Ministry shall prescribe in more detail the conditions for performing free zone activities.

V. FREE ZONE MANAGEMENT

Free Zone Management

Article 23

- (1) Free zone shall be managed by the operator.
- (2) The operator shall enable users to perform activities under the conditions laid down by this Law, acts of the free zone and the agreement, while respecting the principle of equality.

Free Zone Management Activities

Article 24

Free zone management shall include:

- 1) ensuring conditions for uninterrupted performance of customs inspection and other supervision;
- 2) prescribing general operating rules and tariffs in the free zone;
- 3) keeping records of agreements concluded with users;
- 4) introducing an electronic goods management system within the free zone;
- 5) prescribing and ensuring internal order in the free zone including entry and exit regime;
- 6) determining and implementing environmental protection measures in line with regulations;
- 7) other activities determined by the general operating rules of the free zone.

Reporting on Free Zone Operation

Article 25

- (1) Free zone operator shall, upon the request of the Ministry, and at least once a year by 30 June of the current year for the previous year, submit to the Government, through the Ministry, report on the free zone operation.
- (2) The content of the report referred to in paragraph 1 of this Article shall be determined by the Government.

VI. TREATMENT OF GOODS IN A FREE ZONE

Treatment of Goods in a Free Zone

Article 26

- (1) Customs duties and other charges shall not be paid on goods brought into a free zone which are used for production or which are stored.
- (2) Goods referred to in paragraph 1 of this Article may remain in a free zone for an unlimited period.
- (3) Provision referred to in paragraph 1 of this Article shall apply solely to foreign goods which are stored in a free zone or used for processing treatment, inward processing or subjected to usual forms of handling in line with the Customs Law.

Free Foreign Trade Regime

Article 27

- (1) Licences or other restrictions of the foreign trade regime shall not apply to the entry of goods from abroad into a free zone and their export abroad, as well as transshipment within the territory of the free zone
- (2) Provision of paragraph 1 of this Article shall not apply to weapons, military equipment, dual-use goods, hazardous waste, medicines and medical devices in line with applicable regulations.

Dispatch of Goods from a Free Zone to the Rest of the Territory of Montenegro

Article 28

- (1) Goods from a free zone dispatched to the rest of the territory of Montenegro for release for free circulation shall be subject to payment of customs duties and other charges as well as the application of restrictive measures or safeguard measures prescribed by law.

- (2) The value of domestic raw materials or domestic components in the goods referred to in paragraph 1 of this Article shall not be included in the customs value.
- (3) Goods referred to in paragraph 1 of this Article shall be declared to the customs authority.

Temporary Entry and Exit of Goods

Article 29

- (1) Goods may be temporarily brought into a free zone from the rest of the territory of Montenegro or taken out of a free zone outside the territory of Montenegro for the purposes of processing upgrading or treatment installation testing certification repair marketing activities and other purposes.
- (2) Temporary entry or exit of goods referred to in paragraph 1 of this Article shall be approved by the customs authority.
- (3) Goods temporarily taken out of a free zone shall be returned to the free zone or exported abroad within a period determined by the customs authority.

VII. TERMINATION OF FREE ZONE OPERATION

Conditions for Termination of Free Zone Operation

Article 30

- (1) Should, during the operation of a free zone, be established that the conditions for establishment prescribed by Article 11 of this Law or the conditions for operation commencement referred to in Article 18 of this Law have permanently ceased to exist, the Government may, upon the proposal of the Ministry and after obtaining opinions of other authorities, revoke the decision granting consent for the establishment of a free zone.
- (2) The decision on revocation of consent for the establishment of a free zone referred to in paragraph 1 of this Article shall be published in the Official Gazette of Montenegro.
- (3) The decision on revocation of consent the Government shall determine the period within which the free zone shall cease operation, which shall not exceed one year from the date of adoption of that decision.
- (4) The operator shall submit to the Government, through the Ministry, the report referred to in Article 25 of this Law and data on all actions taken for the purpose of termination of free zone operation within 30 days from the date of termination of operation.
- (5) The operator shall enable the customs authority access to the electronic goods management system with all data within 30 days from the date of termination of free zone operation.
- (6) The customs authority shall keep the electronic goods management system with all acquired data, including records and access logs, for at least 10 years from the date of taking over the system from the operator, for the purposes of possible subsequent checks proceedings and investigations, in line with regulations on data protection and archival operations.
- (7) Within six months after the expiry of the period referred to in paragraph 3 of this Article, foreign goods in the free zone shall be released for free circulation or returned abroad.
- (8) In the event of termination of free zone operation, the user and other persons performing activities in the free zone shall retain ownership rights over the assets and rights imported or brought into the free zone and may continue operations under general regulations outside the free zone regime.

VIII. SUPERVISION

Exercising Supervision

Article 31

- (1) Supervision of the implementation of this Law shall be carried out by the Ministry.
- (2) Inspection supervision of the implementation of this Law shall be carried out by the environmental protection inspector, labour inspector, construction inspector, sanitary inspector and market inspector.
- (3) Inspection supervision in the part concerning the implementation of customs supervision, record-keeping and control of goods flows in a free zone shall be carried out by a customs inspector in line with customs regulations.

IX. PENAL PROVISIONS

Offences of the Founder

Article 32

A fine in the amount of EUR 5,000 to EUR 40,000 shall be imposed on a legal person - founder, for an offence, if:

- 1) he fails to notify the Ministry of any change in the data kept in the records referred to in Article 15 paragraphs 4 and 5 of this Law within 15 days from the occurrence of the change (Article 16 paragraph 1);
 - 2) fails to notify the Ministry of a change in the ownership structure exceeding 20% (Article 16 paragraph 2).
- (2) For the offence referred to in paragraph 1 of this Article, the responsible person in the legal entity and the natural person shall also be fined from €500 to €4,000.
 - (3) For the offence referred to in paragraph 1 of this Article, an entrepreneur shall be fined from €3,000 to €10,000.

Offences of the Operator

Article 33

A fine in the amount of EUR 5,000 to EUR 40,000 shall be imposed on a legal person - operator, for an offence, if:

- 1) he fails to ensure that the area of the free zone is not fenced, clearly marked and organised so that access is possible solely through controlled entry and exit points under the supervision of the customs authority (Article 18 paragraph 2 item 1);
- 2) he fails to ensure that entry and exit points, facilities and the free zone area are physically and technically secured, lit and covered by external and internal video surveillance (Article 18 paragraph 2 item 2);
- 3) he fails to ensure that customs authority has direct continuous access to video surveillance systems and records, without the possibility of third-party insight at the time of access (Article 18 paragraph 2 item 3) ;
- 4) he fails to ensure customs supervision, including unhindered access to the area, facilities, video surveillance systems and the single electronic goods management system (Article 18 paragraph 3);
- 5) he fails to ensure the recording in the electronic goods management system of all goods entering the free zone stored, used for processing treatment, inward

- processing or usual forms of handling as well as goods leaving the free zone (Article 18 paragraph 4);
- 6) the free zone commences operation before obtaining a decision from the customs authority (Article 19 paragraph 3);
 - 7) fails to ensure conditions for the unhindered performance of customs inspection and other supervision (Article 24 paragraph 1 item 1);
 - 8) fails to prescribe general operating rules and tariffs in the free zone (Article 24 paragraph 1 item 2);
 - 9) fails to keep records of agreements concluded with users (Article 24 paragraph 1 item 3);
 - 10) fails to introduce an electronic goods management system within the free zone (Article 24 paragraph 1 item 4);
 - 11) fails to prescribe and ensure internal order in the free zone including entry and exit regime (Article 24 paragraph 1 item 5);
 - 12) fails to determine and implement environmental protection measures in line with regulations (Article 24 paragraph 1 item 6);
 - 13) upon the request of the Ministry, and at least once a year by 30 June of the current year for the previous year, fails to submit, through the Ministry, report on the operation of the free zone (Article 25 paragraph 1);
 - 14) fails to submit to the Government, through the Ministry, the report referred to in Article 25 of this Law and data on all actions taken for the purpose of termination of operation of the free zone, within 30 days from the date of termination of operation (Article 30 paragraph 4);
 - 15) fails to enable the customs authority access to the electronic goods management system with all data within 30 days from the date of termination of the free zone operation (Article 30 paragraph 5);
- (2) For the offence referred to in paragraph 1 of this Article, the responsible person in the legal entity and the natural person shall also be fined from €500 to €4,000.

Offences of the User

Article 34

- (1) A fine in the amount of EUR 3,000 to EUR 30,000 shall be imposed on a legal person - user, agent, freight forwarder or other person performing activities in a free zone for an offence, if he:
- 1) performs activities without the consent of the customs authority (Article 10 paragraph 4);
 - 2) fails to enable the implementation of customs supervision at all times including unhindered access to the area facilities video surveillance systems and the single electronic goods management system (Article 18 paragraph 3);
 - 3) fails to record in the single electronic goods management system all goods entering the free zone, stored, used for processing treatment, inward processing or usual forms of handling as well as goods leaving the free zone (Article 18 paragraph 4);
 - 4) fails to use the electronic goods management system from the date of commencement of activities in the free zone in line with the operating rules of the operator and the conditions of customs supervision (Article 18 paragraph 5);

- 5) places goods from the free zone on the market in the rest of the territory of Montenegro without payment of customs duties and other charges or without application of restrictive measures or safeguard measures (Article 28 paragraph 1);
 - 6) fails to declare goods referred to in Article 28 paragraph 1 of this Law to the customs authority (Article 28 paragraph 3)
 - 7) temporarily brings in or takes out goods referred to in Article 29 paragraph 1 of this Law without the approval of the customs authority (Article 29 paragraph 2);
 - 8) fails to return goods temporarily taken out of the free zone to the free zone or to export them abroad within the period determined by the customs authority (Article 29 paragraph 3);
 - 9) fails to release foreign goods in the free zone for free circulation or to return them abroad within six months after expiry of the period referred to in Article 30 paragraph 3 of this Law (Article 30 paragraph 7).
- (2) For the offence referred to in paragraph 1 of this Article, the responsible person in the legal entity and the natural person shall also be fined from €500 to €4,000.
 - (3) For the offence referred to in paragraph 1 of this Article, a natural person shall be fined from €250 to €4,000.
 - (4) For the offence referred to in paragraph 1 of this Article, an entrepreneur shall be fined from €3,000 to €10,000.

X. TRANSITIONAL AND FINAL PROVISIONS

Time-limit for the Adoption of Secondary Legislation

Article 35

- (1) Secondary legislation for the enforcement of this Law shall be adopted within six months from the day this Law enters into force.
- (2) Legislation adopted on the basis of the Law on Free Zones (Official Gazette of Montenegro 42/04 and the Official Gazette of Montenegro, 11/07, 76/08 i 40/16) shall apply until the legislation referred to in paragraph 1 of this Article are adopted, provided that they are not contrary to this Law.

Alignment of Operation of Existing Free Zones

Article 36

- (1) Free zones established prior to the entry into force of this Law shall continue to operate in line with this Law.
- (2) Existing operators of free zones established prior to the entry into force of this Law shall align the organisation, manner of operation and business activities of the free zone with the provisions of this Law, within 18 months from the date of its entry into force.
- (3) Operator of a free zone shall establish a single electronic goods management system in line with this Law, within 12 months from the date of entry into force of this Law.

Alignment of Operation of Users

Article 37

- (1) Existing users of free zones shall continue to operate in line with this Law.
- (2) Existing users of free zones shall align their operations with the provisions of this Law within 18 months from the date of its entry into force.

Repealing Previous Legislation

Article 38

On the day of entry into force of this Act, the Law on Free Zones (Official Gazette of the Republic of Montenegro 42/04 and the Official Gazette of Montenegro 11/07, 76/08 and 40/16) shall be repealed.

Entry into Force

Article 39

The present Law shall enter into force on the eighth day of its publication in the Official Gazette of Montenegro.

Number: 20-3/25-1/4 EPA

EPA 817 XXVII

Podgorica, 2 February 2026

The 28th Parliament of Montenegro

The President

Andrija Mandić

* For the purpose of the provisional closure of negotiating Chapter 29 – Customs Union, the Proposal to the Law on Free Zones is not a formal closing benchmark but has a significant indirect role in meeting the obligations relating to strengthening risk control, supervision of goods flows and the application of tracking and traceability systems (Track&Trace). This connection is also recognised in the European Commission reports, which consider the area of free zones in the context of combating illicit trade, particularly tobacco products and strengthening the institutional and technical capacities of the customs service.