

Procedure 2*. Open a temporary bank account and deposit at least 40% of the registered capital of the company, and pay the registration fee**Time:** 1 day**Cost:** No cost

Comments: At registration, at least 40% of each founder's declared contribution to company capital should be paid in. The other 60% must be paid within 6 months of registration. Law No. 135/14.06.2007 on limited liability companies sets the minimum capital requirement at MDL 5,400. Payment of minimum capital requirement is a prerequisite for the establishment of a company (Article 110 of the Civil Code).

Procedure 3*. Obtain Registration Certificate and an official company stamp from the local branch of the State Registration Chamber (SRC)**Time:** 1 day**Cost:** No cost (cost paid in procedure 1)

Comments: SRC will issue the official stamp along with the registration certificate, after verifying the identity of company's founders.

Procedure 4. Register with the local Tax Inspectorate of the Ministry of Finance**Time:** 2 days (1-3 days)**Cost:** No cost

Comments: Newly registered companies should register with the Tax Inspectorate. Upon presenting the Company Registration Certificate, the Inspectorate will register the company and assign it a tax identification number. Only companies that intend to sell VAT-taxable goods and services for an amount exceeding MDL 600,000 during 12 consecutive months must obtain a VAT code.

Procedure 5. Register the company with the National Bureau of Statistics (NBS)**Time:** 1 day**Cost:** No cost

Comments: After the registration is completed, the company must register with NBS, which will assign the company a statistical code. This code will be assigned according to the activities established in the company's constitutive act and according to the company's territorial location.

Law No. 127/18.06.2010 introduced the principle of "one stop shop" under which the State Registration Chamber facilitates the registration of the company with NBS, Social Security, and Medical Insurance. In practice, entrepreneurs still file their application in person because there are penalties for failure to register. The "one stop shop" is still in the process of implementation and is not fully functional.

Procedure 6. Convert the company's temporary bank account to a permanent one**Time:** 1 day**Cost:** No cost

Comments: To convert the company's temporary bank account to a permanent account, the founder must present to the bank:

- Copy of certificate of registration;
- Copy of incorporation documents;
- Copies of identification cards of company founders;
- Notarized signature cards.

Procedure 7. Register the company with the National Social Security Fund (NSSF)**Time:** 1 day**Cost:** No cost

Comments: Every company should receive an individual social security number for each employee. The Law of the Republic of Moldova No. 383-XV (of November 11, 2004), "On the State Social Security Budget 2005," states that the company must complete a questionnaire for each employee and to present it, along with the copy of the employee's identification card, to NSSF within 10 days of signing of the labor contract. Later, the company should present the report every 3 months to the National Social Security Fund.

Regarding the "one stop shop" principle, the same comment as in procedure 5 applies.

Procedure 8. Register the company with the National Medical Insurance Company (NMIC)**Time:** 2 days**Cost:** No cost

Comments: After registering with the State Registration Chamber, the company must register with the local office of NMIC within 10 days. The medical insurance agreement must be concluded. The company must submit monthly reports on the calculation and the transfer of compulsory insurance payments to the Tax Inspectorate.

Regarding the "one stop shop" principle, the same comment as in procedure 5 applies.

*This procedure can be completed simultaneously with previous procedure.

STARTING A BUSINESS**Niksic, Montenegro**

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: EUR 1 (US\$ 1.4)

Data as of: January 2011

Procedure 1. Notarize company's incorporation act at the Primary Court**Time:** 1 day**Cost:** EUR 12 (EUR 2 for request + EUR 10 for notarization)

Comments: Montenegro does not have public notaries yet, but the profession is expected to develop soon. It is required that documents are notarized by the courts. In accordance with the Law on Improvement of the Business Environment from July 2010 (Official Gazette No. 40/10), the fee for notarizing contracts has been decreased to EUR 10 for all documents regardless of the number of pages and signatories.

Procedure 2. Register the company at the Central Registry of the Commercial Court (CRCC) and obtain a statistical number**Time:** 2 days**Cost:** EUR 28 (EUR 10 for registration + EUR 12 for publication fee + EUR 6 for travel expenses to Podgorica)

Comments: The only registry in Montenegro is in Podgorica (in the Commercial Court building). The registry is computerized. The registration form can be downloaded from CRCC website (<http://www.crps.me/index.php/en/law-and-regulations>). CRCC prepares the text for the announcement of the incorporation of the company. CRCC also estimates the publication fee (based on the length of the notice) and sends all notices to the Official Gazette, which publishes them in the upcoming issue (usually after 10-15 days). Subsequent procedures do not depend on the announcement, so the client can continue to incorporate the company regardless of the publication date. Since April 2010, companies can obtain a statistical number at the time of company registration.

Procedure 3. Make a company seal**Time:** 1 day**Cost:** EUR 30

Comments: The company seal is a core instrument in the company's legal transactions. The company must order a seal or stamp upon registering with CRCC because it is essential for subsequent company transactions. The seal is made on the day it is ordered.

Procedure 4. Open a bank account**Time:** 1 day**Cost:** No cost

Comments: Opening a bank account is a prerequisite for tax registration.

Procedure 5. Report company activity to the Municipal Secretariat for Economy and Finance (MSEF)**Time:** 1 day**Cost:** EUR 2

Comments: With the introduction of the Law on Domestic Trade in 2008, companies are no longer required to obtain an operation license, but only to report their activity and location to MSEF.

Procedure 6. General tax registration of the company with the municipal tax administration

Time: 1 day

Cost: No cost

Comments: In accordance with the Rulebook for the form and content of the single application form for registering taxpayers, social contributions beneficiaries and the insured, which became effective on March 1, 2010, registration of employees with the Employment Bureau, Pension Fund, Health Fund, and registration for income tax was unified in one form (JPR) and one procedure that can be completed at the local Tax Administration office in one day at no cost. The following documents should be submitted:

- Application form;
- Copy of Company Registration Certificate;
- Company identification number;
- Proof of an existing company bank account;
- Proof that company activity is reported to municipal authorities;
- Identification documents of company managers and employees.

The tax number always matches the company's ID number. A tax inspection is not required prior to issuing the tax number.

Procedure 7. Register company for value added tax (VAT)

Time: 1 day

Cost: No cost

Comments: Once the company is registered for income tax, only an application form, duly completed, signed and stamped, is required.

STARTING A BUSINESS

Pljevlja, Montenegro

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: EUR 1 (US\$ 1.4)

Data as of: January 2011

Procedure 1. Notarize company's incorporation act at the Primary Court

Time: 1 day

Cost: EUR 12 (EUR 2 for request + EUR 10 for notarization)

Comments: Montenegro does not have public notaries yet, but the profession is expected to develop soon. It is required that documents are notarized by the courts. In accordance with the Law on Improvement of the Business Environment from July 2010 (Official Gazette No. 40/10), the fee for notarizing contracts has been decreased to EUR 10 for all documents regardless of the number of pages and signatories.

Procedure 2. Register the company at the Central Registry of the Commercial Court (CRCC) and obtain a statistical number

Time: 2 days

Cost: EUR 37 (EUR 10 for registration + EUR 12 for publication fee + EUR 15 for travel expenses to Podgorica)

Comments: The only registry in Montenegro is in Podgorica (in the Commercial Court building). The registry is computerized. The registration form can be downloaded from CRCC website (<http://www.crps.me/index.php/en/law-and-regulations>). CRCC prepares the text for the announcement of the incorporation of the company. CRCC also estimates the publication fee (based on the length of the notice) and sends all notices to the Official Gazette, which publishes them in the upcoming issue (usually after 10-15 days). Subsequent procedures do not depend on the announcement, so the client can continue to incorporate the company regardless of the publication date. Since April 2010, companies can obtain a statistical number at the time of company registration.

Procedure 3. Make a company seal

Time: 1 day

Cost: EUR 20

Comments: The company seal is a core instrument in the company's legal transactions. The company must order a seal or stamp upon registering with CRCC because it is essential for subsequent company transactions. The seal is made on the day it is ordered.

Procedure 4. Open a bank account

Time: 1 day

Cost: No cost

Comments: Opening a bank account is a prerequisite for tax registration.

Procedure 5. Report company activity to the Municipal Secretariat for Economy and Finance (MSEF)

Time: 1 day

Cost: EUR 2

Comments: With the introduction of the Law on Domestic Trade in 2008, companies are no longer required to obtain an operation license, but only to report their activity and location to MSEF.

Procedure 6. General tax registration of the company with the municipal tax administration

Time: 1 day

Cost: No cost

Comments: In accordance with the Rulebook for the form and content of the single application form for registering taxpayers, social contributions beneficiaries and the insured, which became effective on March 1, 2010, registration of employees with the Employment Bureau, Pension Fund, Health Fund, and registration for income tax was unified in one form (JPR) and one procedure that can be completed at the local Tax Administration office in one day at no cost. The following documents should be submitted:

- Application form;
- Copy of Company Registration Certificate;
- Company identification number;
- Proof of an existing company bank account;
- Proof that company activity is reported to municipal authorities;
- Identification documents of company managers and employees.

The tax number always matches the company's ID number. A tax inspection is not required prior to issuing the tax number.

Procedure 7. Register company for value added tax (VAT)

Time: 1 day

Cost: No cost

Comments: Once the company is registered for income tax, only an application form, duly completed, signed and stamped, is required.

STARTING A BUSINESS

Podgorica, Montenegro

Standard company legal form: Limited Liability Company (LLC)

Minimum capital requirement: EUR 1 (US\$ 1.4)

Data as of: January 2011

Procedure 1. Certify the company's founding agreements

Time: 1 day

Cost: EUR 21 (EUR 13 for court + EUR 2 per document)

Comments: The Republic of Montenegro still has no public notaries, but the profession is expected to develop soon. According to the new changes of the Law on Companies (Official Gazette of Montenegro nos. 6/02, 17/07 & 80/08), lawyers are no longer authorized to do the certification of corporate documents. The applicant certifies company documents at the basic court and copies at municipalities. Certification fees vary depending on the number of pages and documents.

Procedure 2. Register the company at the Central Registry of the Commercial Court (CRCC) and obtain a statistical number

Time: 2 days

Cost: EUR 22 (EUR 10 for registration fee + EUR 12 for publication fee)

Comments: The only registry in Montenegro is in Podgorica (in the Commercial Court building). The registry is computerized. The legal time limit for registration is 4 days, but in practice, the registry completes the registration in 2 days.

The applicant checks the company name online and then comes to the registry located at the commercial court with completed documents and register the name and company. At the registry a counter exist for LLC registration and payment of relevant fees can be done at the same place.