

IMPORTANT EVENTS

10

IMPORTANT EVENTS IN THE FIRST QUARTER OF 2025

JANUARY

The specific excise duty on cigarettes was increased from 52 euros to 53.5 euros per one thousand cigarettes, while the proportional excise duty remained unchanged and stood at 24.5% of the retail price. At the same time, pursuant to the latest amendments to the Law on Excise Taxes, an excise duty of 25 euros per hectolitre of still wine was introduced.

In line with the entry into force of the Law Amending the Law on Value Added Tax, as of 1 January this year, the provision exempting shipments valued up to 75 euros from taxation ceased to apply. Under the new provisions, all online purchases are subject to value added tax (VAT), with the VAT rate set at 21% for most products, 7% for newspapers and textbooks, and 15% for books and publications. This measure, envisaged by Montenegro's Fiscal Strategy for the period 2024–2027, aims to compensate for the budget revenue loss resulting from the reduction of pension insurance contributions following the increase in the minimum wage.

Representatives of the Central Bank of Montenegro and the Banca d'Italia signed a Letter of Intent for the implementation of the TIPS Clone Project, which is expected to enable real-time instant payments in Montenegro.

The Government of Montenegro fulfilled the final requirement for the operational start of using the available European Union funds from the Growth Plan for the Western Balkans, paving the way for the disbursement of planned tranches.

FEBRUARY

The Parliament of Montenegro adopted the Budget Law for 2025, projected at 4 billion euros, as well as the Decision on Borrowing authorizing the borrowing of up to 1.4 billion euros.

The Parliament also adopted the Law on Consumer Credits, which abolishes fees for loan processing and early repayment of housing loans. In addition, the Law introduces a maximum allowable effective interest rate on consumer loans, in line with the initiative of the Central Bank of Montenegro, ensuring consumer protection against excessively high interest rates—particularly for the most vulnerable categories of borrowers who have typically been exposed to extremely high borrowing costs.

MARCH

The Government of Montenegro adopted the Agro-Budget for this year worth 77.06 million euros, of which 56.54 million euros is to be provided from the government budget, 11.02 million euros from donations, and 9.50 million euros from credit funds.

The Ministry of Finance of Montenegro issued a 850 million euros worth government bonds, with a seven-year maturity and an interest rate of 4.875%.

The Financial Stability Council adopted the Financial Sector Roadmap towards Sustainable Finance, aiming to align Montenegro's financial system with European and global sustainable development standards and ESG principles.

According to the 2025 Index of Economic Freedom published by The Heritage Foundation, Montenegro ranked 67th out of 184 countries, with a score of 63.8, which is the annual increase of 4.1 points.

The credit rating agency Standard & Poor's (S&P) confirmed Montenegro's stable outlook and maintained its rating at B+.