

# MARKET PROFILE MONTENEGRO

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2026

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## Montenegro in numbers

### Key Figures (Q4 2025<sup>1</sup>)

Indicator	Value
Local Currency	Euro (EUR)
Nominal GDP	EUR 8,042 million
Nominal GDP Growth	+5.1% (vs. Q4 2024)
Real GDP Growth	+1.5% (vs Q4 2024)
Inflation	4%
GDP per Capita	EUR 12,260 (2024)
EU Membership	No
Eurozone	Yes

### Local Time

Season	Time Zone
Winter	GMT+1
Summer	GMT+2
DST	Aligned with EU countries

## Economic Overview

- Montenegro is a politically and economically stable country, NATO member, and EU candidate.

<sup>1</sup> GDP data shown is sourced from MONSTAT Quarterly GDP statistics, ending with Q4 2025. World Economic Outlook Database by IMF projects full year nominal GDP to be USD 9,353 million with GDP per Capita of USD 16,380.

- The Western Balkans region offers rapid development potential, especially in the banking sector.
- By Q4 2025, real GDP growth rates per quarter were as follows:
  - Q1: 2.5%
  - Q2: 3.5%
  - Q3: 3.1%
  - Q4: 1.5%
- 2024 Real GDP growth: 3.2%
- Nominal GDP (2024): EUR 7,645 million
- Nominal GDP (2023): EUR 7,069 million
- Nominal GDP (2022): EUR 5,944 million
- GDP per capita (2024): EUR 12,260
- GDP per capita (2023): EUR 11,336
- GDP per capita (2022): EUR 9,529

### Investment & Infrastructure

- Key drivers of growth:
  - Investment activity
  - Tourism
  - Private consumption
  - Export of goods and services
  - Fiscal consolidation (2025)
- Major infrastructure projects:
  - **Bar-Boljare highway**: First section completed; preparation work on the second section has started
  - **Adriatic-Ionian corridor**: Interconnection with Serbia

## Employment & Salaries (2025<sup>2</sup>)

Indicator	Value
Employment Rate	89.3%
Active Population	310,400
Employed	277,300
Unemployed	33,100 (10.7%)
Change in Employment (YoY)	-1.9%

<sup>2</sup> Data sourced from MONSTAT work force service statistics, data for full year 2025.

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Change in Unemployment (YoY)	-9.3%
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## Salary Trends

Period	Gross Salary	Net Salary	Change (Net YoY)
Dec 2024	EUR 1,083	EUR 876	+10.6%
Jan 2025	EUR 1,198	EUR 1,004	+22.6%
Annual Avg 2025	EUR 1,206	EUR 1,012	+15.5%

## Banking & Capital Markets

### Banking Sector

- Characterized by:
  - Modern regulations
  - Increased competitiveness
  - Continuous growth
  - Improved asset quality
  - Declining interest rates
- Credit activity supports:
  - Macroeconomic stability
  - Economic recovery
  - Expansion of tax base
  - Reduction of fiscal pressure

### Capital Market

- Growth in:
  - Institutional capacity
  - Ownership diversification
  - Trading activity
- **Market capitalization** ↑ 6.2% (2024)
- Active **secondary market**, especially in **government bonds**

## Turnover on Montenegro stock exchange

Year	Net Flow (€ million)	Change (%) vs. Previous Year
2021	46,467	–
2022	78,182	+68.2%
2023	12,261	-84,31%
2024	9,665	-21,17%
2025	86,608	+796,09%

## Montenegro Government Bonds Traded (internationally)

- MONTEN 2027 EUR
- MONTEN 2029 EUR
- MONTEN 2031 USD
- MONTEN 2032 EUR

## Montenegro Government Bonds Traded (Montenegro stock exchange)

- MONTENEGRO RETAIL BONDS 2027 EUR

## Credit Ratings

Agency	Rating	Outlook
S&P	B+	Stable
Moody's	Ba3	Stable

## Market Participants

### Regulatory Bodies

- **Central Bank of Montenegro (CBCG)** – banks, MFIs, leasing, factoring, etc.
- **Insurance Supervision Agency** – insurance companies
- **Capital Market Authority (CMA)** – investment/pension funds, stock exchange, CSD&CC

### Licensed Entities

## Brokerage Firms

- VIP Broker AD Podgorica
- Bull and Bear Broker Diler Investicioni Savjetnik AD Podgorica

## Custody Banks

- CKB AD
- Hipotekarna Banka AD
- Erste Bank AD
- Universal Capital Bank AD
- Prva Banka Crne Gore – Osnovana 1901 AD
- Zapad Banka AD
- Adriatic Bank AD

## Investment Firms

- TEMPLER Securities AD
- FINVEO AD
- RSI Globalno Investiciono Društvo AD
- TF Capital AD

## Investment Funds

- Atlas Mont Mutual Fund
- HLT Open Investment Fund
- Moneta Investment Fund (in transformation)
- Trend Mutual Fund
- WVP Premium Investment Fund

# Central Bank of Montenegro (CBCG)

## Role & Functions

- Ensures **monetary and financial stability**
- Does **not issue currency**, but regulates and supervises:
  - Credit institutions
  - Payment service providers
  - Electronic money issuers
- Manages **international reserves**
- Oversees **payment system operations**
- Conducts **macroeconomic analysis** (monetary, fiscal, financial, balance)
- Advises the Government on economic policy

- Performs other functions as defined by law

## Strategic Initiatives (2025–2028)

In 2025, CBCG is actively working on:

- **Strengthening macroprudential tools** (stress testing, structural models)
- **Improving the Credit Registry** (in cooperation with EBRD and World Bank)
- **Aligning supervision with EU regulations** (CRD6/CRR3)
- **Enhancing reporting systems** for financial institutions
- **Promoting resilience to climate-related risks** and supporting SDGs

Montenegro has joined SEPA payment scheme from 6th of October 2025.

These initiatives are part of the **Strategic Plan 2025–2028**, aimed at modernizing CBCG and boosting confidence in Montenegro's financial system.

Website: [www.cbcg.me](http://www.cbcg.me)

## Capital Market Authority (CMA)

The **Capital Market Authority (CMA)** is an independent body regulating securities issuance and trading, aligned with:

- **IOSCO principles**
- **EU Acquis**
- **ESMA standards**

### CMA Responsibilities

- Supervises professional securities traders
- Promotes investor protection and market integrity
- Member of IOSCO and signatory of:
  - Multilateral Memorandum of Cooperation
  - Regional MoUs on information exchange
  - MoU on AML/CFT cooperation

### Establishment of the Investor Protection Fund

It has been enhanced investors protection through the establishment of the Investor Protection Fund.

CMA established it on 1st January 2026 with the aim of strengthening confidence in the capital market and providing additional protection for investors.

Website: [www.scmn.me](http://www.scmn.me)

## Montenegro Stock Exchange

The **Montenegro Stock Exchange (MSE)**, established in 1993, is the sole stock exchange in the country.

### Ownership Structure

Shareholder	Ownership %
BORSA ISTANBUL ANONIM SIRKETI	24.43%
CD - OIF Atlas Mont	19.67%
CG BROKER - DILER Investment Company	17.26%
Otvoreni investicioni fond "HLT Fond"	13.88%
State of Montenegro	10.97%

### Trading System

- Conducted via **BTS electronic platform** (Windows-based)
- Members: licensed investment companies or credit institutions (domestic or foreign)
- Must comply with **Law on Capital Market** and **MSE Rules**

### Memberships

- **Federation of Eurasian Stock Exchanges** (since 2005)
- **Federation of World Stock Exchanges** (since 2008)

### Key Indices

- **MONEX**
- **MNSE10**

Website: [www.mnse.me](http://www.mnse.me)

## Central Securities Depository and Clearing Company (CSD)

The **Central Securities Depository of Montenegro (CSD)** was established in 2000 as a joint stock company by the **Ministry of Finance**, the **Central Bank of Montenegro (CBCG)**, and seven commercial banks and financial institutions.

### Ownership Structure

Shareholder	Ownership %
Central Bank of Montenegro	34.99%
Bull and Bear Broker (dealer, advisor)	19.01%
Printing House "Obod" A.D. Cetinje	16.99%
Crnogorska Komercijalna Banka	14.99%

### Core Functions

CSD plays a vital role in supporting Montenegro's capital market by providing:

- Securities account management services
- Registration of issuers, issues, and securities owners
- Processing of non-market transactions
- Clearing and settlement of stock exchange transactions

### Organizational Structure

CSD is composed of two main units:

#### 1. Central Registry

- Provides services to **securities issuers** and **securities owners**

#### 2. Depository for Clearing and Settlement

- Handles clearing and settlement of exchange transactions using multiple models:

Settlement Model	Description
<b>DVP/RVP</b>	<i>Delivery vs. Payment</i> – simultaneous transfer of money and securities

<b>TFT (BIS Model 1)</b>	<i>Trade for Trade</i> – each transaction settled individually on a gross basis
<b>CNS (BIS Model 2)</b>	<i>Continuous Net Settlement</i> – monetary liabilities netted; securities gross
<b>T+2 Cycle</b>	Settlement occurs on the <b>second working day</b> after the trading day

These mechanisms ensure **secure, efficient, and risk-mitigated settlement** aligned with international standards.

Website: [www.cda.me](http://www.cda.me)

## Trading and Settlement

### Trading System

Trading on the **Montenegro Stock Exchange** is conducted through licensed stockbrokers using the **BTS electronic trading system**, developed in cooperation with the **Ljubljana Stock Exchange** and IT company **Novita**.

- **Software version:** BTS 2.6 (in use since 2011)
- **Platform:** Windows
- **Performance:** 400 requests/second on standard Intel hardware
- **Standards supported:**
  - FIX 4.4 (trading protocol)
  - SSL (secure communication)

### Trading Hours

<b>Trading hours</b>	<b>Time</b>
Working hours	09:30–14:00
Non-Working days	Saturdays, Sundays, and official holidays (per national law)

### Market Segments

#### 1. Regulated Market

- **Stock Market**
  - Prime Market
  - Standard Market
- **Free Market**
- 2. **Multilateral Trading Platform (MTP ME Market)**
- 3. **MTP GROW Market** – for newly established joint-stock companies that do not meet two or more conditions for Free Market inclusion

## Trading Methods

Trading is conducted via **continuous** and **auction** methods, in accordance with the **Rules and Rulebook on Quotation** of the Montenegro Stock Exchange.

- **Continuous trading** begins with an auction, followed by real-time order matching
- **Auction types:**
  - 1:1 – entire share package sold to one buyer
  - 1:N – share package sold to multiple buyers
- **Settlement cycle:** T+2 (two working days after trade date)
- **Pricing:**
  - Financial instruments must be priced above zero
  - Share prices expressed in **euros per lot**
- **Trading schedule:** Determined by the Board of Directors

## Payment System

The **Payment System of Montenegro**, operated by the **CBCG**, consists of:

- **RTGS (Real-Time Gross Settlement)** – immediate, gross-value transactions
- **DNS (Deferred Net Settlement)** – interbank transactions settled on a net basis

## Technical Standards

- Domestic validation module (for public revenue payments)
- SWIFT formats and BIC codes
- IBAN standard
- IP/MPLS VPN Extranet (CBCG communication network)

## Modernization Initiatives

- **From 20 October 2025:** Payment system will operate on **weekends and holidays**, enabling **continuous processing**
- **From July 2026:** Introduction of **TIPS Clone system** for **real-time 24/7/365 payments** for citizens and businesses
- These upgrades support Montenegro's alignment with **SEPA standards**

## Settlement Procedures

Settlement is performed by **CSD** for all transactions on:

- Regulated Market
- MTP
- OTP
- OTC

## Types of Settlement

Type	Description
Contractual (CNS)	Netting of monetary obligations; CSD becomes counterparty
Individual (TFT)	Gross settlement of each transaction individually

- Final and irrevocable transfer of securities ownership
- Simultaneous transfer of funds from CSD to seller's account
- Only **technically correct transactions** are accepted for settlement
- **Settlement cycles** run between **11:00 and 12:00** on **T+2**

## Exceptions

Settlement may occur **before or after T+2** in cases of:

- Mutual agreement between parties
- Delays in obligations
- Payments made via **Montenegro-issued bonds**

## Guarantee Fund

Established by **CSD** to ensure coverage of **unfulfilled financial obligations** from contractual settlements.

## Key Features

- Assets belong to participating members
- Members **jointly and severally guarantee** net monetary obligations
- Managed by CKDD

## Payments to the Fund

Type	Description
<b>Main Payment</b>	Paid upon admission and annually during membership
<b>Supplementary</b>	Monthly adjustment based on transaction volume increase

- Funds are held in a **dedicated sub-account** at CBCG (cash pool account)
- CSD may **rebook member's funds** temporarily in case of payment delays caused by CBCG system issues

## Suspensions & Buy-Ins

If a **participating member** fails to settle obligations from an individual settlement, the transaction is classified as **"unsettled."** In such cases:

- **CSD imposes a suspension** for clearing and settlement on the member responsible, excluding payment of missing funds.
- For **"unconfirmed" accepted transactions**, CSD initiates **forced confirmation** on **T+1 after 10:00 AM.**
- CSD requests a **written explanation** from the member marked as a settlement participant.
- All actions under default procedures are **reported to the Capital Market Authority (CMA).**

## Market Instruments

The Montenegrin market is open to **domestic and foreign investors.** All securities are **dematerialized** and listed in the **Central Registry of CSD** with a unique **ISIN code.**

## Types of Financial Instruments

- Government bonds

- Corporate bonds
- Treasury bills
- Shares
- Investment units
- Money market instruments

Inclusion conditions are defined by the **Law on Capital Market** and the **Rules of the Montenegro Stock Exchange AD Podgorica**.

## Anti-Money Laundering (AML) Requirements

Montenegro complies with **EU AML directives** and has implemented robust measures to prevent money laundering and terrorist financing.

### Key Provisions

- **Know Your Customer (KYC)** procedures required before establishing business relationships
- Identification and verification of customers, agents, proxies, and representatives
- **Embargo screening** of clients, transactions, and SWIFT messages against:
  - EU lists
  - UN lists
  - OFAC lists

## Foreign Investor Access & Disclosure Requirements

Montenegro offers a **fully liberalized investment environment** for foreign investors, with no restrictions on market access.

### Key Advantages for Foreign Investors

- **No restrictions** on entry or participation in the capital market
- **Full repatriation regime** – profits and capital can be freely transferred abroad
- **Segregated accounts** available (including **omnibus accounts** if needed)
- **Clear and predictable tax treatment**, with the possibility of applying **Double Taxation Treaties (DTT)** for exemptions

Foreign investors are treated **equally** to domestic investors and are subject to the same market regulations.

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## Notification Obligations

A shareholder must notify the issuer when their **voting rights** reach, exceed, or fall below:

- **Thresholds:** 5%, 10%, 15%, 20%, 25%, 30%, 50%, 75%
- Due to acquisition/disposal or changes in share capital/voting rights

## Exemptions

Disclosure obligations **do not apply** to:

1. Shares acquired for clearing/settlement during normal cycles
2. Shares held by custody providers acting on written/electronic instructions
3. Market makers (if <5% and authorized, non-influential)
4. Shares held by **European System of Central Banks** for liquidity purposes
5. Shares in trading books of authorized institutions (if <5% and voting rights not exercised)

These exemptions **do not apply** to shares acquired under redemption/stabilization programs **if voting rights are exercised**.

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## Proxy Voting

According to the **Law on Business Organizations**, the **General Shareholders Meeting (GSM)** must be held **at least annually**.

### Notification & Quorum

- Notice sent **30 days prior** via mail
- For companies with **100+ shareholders**, notice must be published **twice** in daily print media and on the company's website

### Voting Rules

- Decisions by **majority vote** of present or represented shareholders
- **Ballot voting** mandatory for:
  - Board elections
  - Requests by shareholders/proxies with  $\geq 5\%$  voting rights

### Quorum Requirements

GSM Type	Quorum Requirement
Initial GSM	≥50% of total voting shares
Repeated GSM	≥33% of total voting shares

- Repeated GSM must be held **within 30 days** of the initial GSM
- **Peak season:** March–June
- **Extraordinary meetings:** Any time during the year

## Taxation

Under the **Law on Corporate Income Tax**, dividend income for **residents and non-residents** is taxed at a **flat rate of 15%**.

### Double Taxation Agreements

- Applicable if the non-resident:
  - Proves residency in a treaty country
  - Is the **beneficial owner** of the income

### Tax Incentives (2025)

- **Exemptions** for reinvestment in:
  - Agriculture
  - Sports
- **Deductibility:**
  - Up to **5% of revenue** for contributions to national sports federations
- Clarified rules on:
  - Deductible expenses
  - Taxation of **digital** and **gambling income**

**Certificate of residence** are issued by the **Tax Authority**. For procedures and details, contact the **competent Tax Authority**.

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## Sources

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- *Statistical Data, MONSTAT* – [www.monstat.org](http://www.monstat.org)
- *Montenegro Stock Exchange* – [www.mnse.me](http://www.mnse.me)
- *Capital Market Authority* – [www.scmn.me](http://www.scmn.me)
- *CSD* – [www.cda.me](http://www.cda.me)