

Montenegro

Citizenship-by-Investment Program

Situated on the Balkan Peninsula in Southeastern Europe, Montenegro is known for its magnificent and unparalleled natural beauty. Montenegro boasts untouched expansive peaks, shimmering lakes, and a 629,000-strong population that is known for its warm hospitality. The majestic Mount Lovćen is the heart of the country and the enchanting Adriatic Coast spans 273 km, is indented with pristine sandy beaches, and features the elite Porto Montenegro, one of Europe's increasingly popular luxury destinations. This natural harbor is home to superyachts, helicopter fleets, exquisite properties, and lavish nightclubs.

Nearby lies the medieval town of Kotor, a UNESCO World Heritage Site, where the mountainous landscape frames the Venetian, Austrian, and baroque-style buildings. Tourism is

the biggest driver of this safe and stable country's economy. Visitors and locals alike are attracted to the iconic Aman Sveti Stefan, a village-style island resort, linked to the Queen's Beach by a causeway, as well as The Chedi Luštica Bay Hotel, a five-star modern resort hotel on the waterfront of the new coastal town of Luštica Bay. Other exciting hotel projects include the One&Only Portonovi, the group's first luxury hotel in Europe and, a testament to the country's dynamic investment potential, The Ritz-Carlton Montenegro, whose highly anticipated opening is set to take place in 2023.

Emerging as a sovereign state in 2006, Montenegro is a member of NATO, uses the euro as its currency, and is an official candidate country for EU membership.



Requirements

The Montenegro Citizenship-by-Investment Program was developed by the Government of Montenegro and launched in 2019 as part of its ongoing efforts to attract foreign direct investment to and increase economic activity in the country. The program requires applicants to make a defined economic contribution to the country. In exchange, and subject to a stringent vetting and due diligence process, including thorough background checks, applicants and their families are granted Montenegrin citizenship.

To qualify for the Montenegro Citizenship-by-Investment Program, the main applicant must be over 18 years of age, meet the application requirements, and make the qualifying contributions to the Government of Montenegro as follows:

1. Contribution of EUR 100,000, designated for the advancement of local under-developed, self-government units
2. Investment of at least EUR 450,000 into an approved real estate development project in Podgorica or in the coastal region of Montenegro. Alternatively, an investment of at least EUR 250,000 into an approved real estate development project in the northern or central region of Montenegro, excluding Podgorica

In addition, applicants are required to pay government processing fees as follows: EUR 15,000 for the main applicant, EUR 10,000 for each of the next four dependents, and EUR 50,000 for each subsequent dependent. Other application fees apply, including due diligence fees, escrow, and biometric passport fees.

For an application to be successful, it is imperative that the main applicant and their dependents pass all due diligence checks. Applicants are also required to demonstrate that they have a clear criminal record.

Procedures and time frame

All applications are submitted through intermediary agents such as *Henley & Partners*, which have been officially accredited to the Government of Montenegro for this purpose.

Eligible family members include a spouse, minor children, and adult dependent children over the age of 18. Applications must include completed application forms and be accompanied by the appropriate fees and supporting documents, including certified copies of the passports and ID cards, birth certificates, marriage certificates, insurance policies, and medical certificates. All the relevant information (including the background of the applicant and any dependents) is verified by a specialized and approved due diligence service provider.

In the case where it is subsequently identified that an individual who has been granted Montenegrin citizenship through the program has provided false information or deliberately concealed facts or circumstances, the government retains the right to revoke their citizenship.

Once received by the relevant government department, applications are processed within three months.

Dual citizenship

Successful applicants to the Montenegro Citizenship-by-Investment Program are exempt from the country's restrictions on dual citizenship stipulated in Article 8 of the law on Montenegrin citizenship. Article 12 of the law states that citizenship may be exceptionally granted to individuals on the





basis of special contributions (such as economic interest) to the country, which applies to successful program applicants.

Taxation

Compared with most of its neighboring and EU countries, the tax situation in Montenegro is favorable in many aspects. A prime example of this is a single 9% corporate income tax rate. The same 9% tax rate applies to capital gains and personal income tax, with an additional 2% payable for salaries above EUR 765 per month. Residents of Montenegro who have income abroad also pay income tax to the Montenegrin government. However, Montenegro has concluded double taxation treaties with numerous countries. VAT in Montenegro is 21%, with a reduced or zero rate for certain basic goods and services (including, for example, hotel accommodation at 7%).

The real estate tax varies from 0.25% to 1%, depending on the respective municipality. Real estate transfer tax (RETT), payable by the purchaser, is 3% of the market value. When investing in an approved project under the program, neither VAT nor RETT are applicable.

Key advantages

- Visa-free or visa-on-arrival access to 124 destinations including Europe's Schengen Area, Russia, and Turkey
- Citizenship in a country that is an official EU candidate
- Citizenship in a multinational and multilingual European community that enjoys a mild Mediterranean climate, beautiful scenery, and a low cost of living
- Citizenship in a member state of the European Monetary Union, the NATO Alliance, OSCE, and the WTO
- Full citizenship granted to the applicant and included family members
- Political and economic stability, underpinned by a business-oriented government

Henley & Partners is the global leader in residence and citizenship planning. Each year, hundreds of wealthy individuals and their advisors rely on our expertise and experience in this area. The firm's highly qualified professionals work together as one team in over 30 offices worldwide.

The concept of residence and citizenship planning was created by Henley & Partners in the 1990s. As globalization has expanded, residence and citizenship have become topics of significant interest among the increasing number of internationally mobile entrepreneurs and investors whom we proudly serve every day.

The firm also runs a leading government advisory practice that has raised more than USD 8 billion in foreign direct investment. Trusted by governments, the firm has been involved in strategic consulting and in the design, set-up, and operation of the world's most successful residence and citizenship programs.

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