

**16 Annex - Taxation**

**134. DECISION ON THE CONTENTS OF THE STUDY ON  
ECONOMIC JUSTIFICATION FOR ESTABLISHMENT OF  
FREE ZONES AND FREE WAREHOUSES**

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Pursuant to Article 11, paragraph 3 of the Law on Free Zones (Official Gazette of the Republic of Montenegro 42/04), the Government of the Republic of Montenegro, in the session held on 16 July 2004, passed the

**DECISION ON THE CONTENTS OF THE STUDY ON ECONOMIC JUSTIFICATION FOR ESTABLISHMENT OF FREE ZONES AND FREE WAREHOUSES**

**(Official Gazette of the Republic of Montenegro 53/04 of 4 August 2004, 81/08 of 26 December 2008)**

**Article 1**

This Decision shall define in more detail the contents of the Study on economic justification for establishment of free zones and free warehouses (hereinafter referred to as the "Study").

**Article 2**

The Study shall contain:

1. Introduction:
  - a) data on the founder (data on its operations and solvency);
  - b) data on the investment programme;
  - c) type of activities to be performed in the zone or warehouse;
  - d) summary.
2. Legal basis and requirements for establishment of the free zone or free warehouse
3. Basic elements contained in the act on establishing the free zone or free warehouse
4. Planned production:
  - a) production analysis and market projections;
  - b) supply analysis and projections;
  - c) analysis of the Montenegrin market and markets in the region.
5. Available capacities and infrastructure:
  - a) the existing and planned facilities;
  - b) the existing and planned infrastructure.
6. Preconditions for customs, inspection and other types of supervision
7. Environment impact assessment compliant with the legislation
8. Free zone management:
  - a) the operator;
  - b) general rules of operation and tariffs in the free zone or free warehouse;
  - c) the existing number of employees and the required number of employees, with professional structure and employment dynamics;
  - d) the manner of performing spatial planning activities.
9. Economic and financial analysis:
  - a) scope and structure of investments, i.e. funds allocated for investments in the activities to be performed in the zone;
  - b) expected results of operations;

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- c) calculation and structure of the required turnover assets;
  - d) calculation of production costs and establishment of total incomes;
  - e) financial obligations, planned and expected, classified by types;
  - f) cash flow;
  - g) economic flow.
10. Projection of the economic justification of the Study for the economy of Montenegro:
- a) dynamic assessment of efficient attracting of foreign capital and investment growth;
  - b) assessment of market efficiency of the market;
  - c) impact on the employment;
  - d) transfer of modern technologies;
  - e) assessment of impact on the development of domestic economic entities;
  - f) suggestions for reduction of business barriers – simplification of administrative procedures;
  - g) impact on the overall development of the local community.
11. Overall assessment (recapitulation of the project).

**Article 3**

This Decision shall enter into force on the eight day following that of its publication in the Official Gazette of the Republic of Montenegro.

No: 02-4803

Podgorica, 16 July 2004

Government of the Republic of Montenegro

Prime Minister

Milo Đukanović