

**LAW ON NON-GOVERNMENTAL ORGANIZATIONS**  
("Official Gazette of the Republic of Montenegro", numbers 27/99, 09/02, 30/02;  
"Official Gazette of Montenegro", number 11/07 dated 13<sup>th</sup> December 2007)

**I GENERAL PROVISIONS**

**Article 1**  
**Subject of the Law**

This Law shall regulate procedure of foundation, registration, operation, connection and cessation of operation of non-governmental organizations.

Non-governmental organizations according to this Law shall be non-governmental associations and non-governmental foundations.

**Article 2**  
**Non-governmental Associations**

Non-governmental association (hereinafter: association) shall be a nonprofit organization with members, founded by domestic and foreign physical persons and legal entities, in order to realize individual or common interests or for realization and affirmation of public interest.

**Article 3**  
**Non-governmental Foundations**

Non-governmental foundation (hereinafter: foundation) shall be a nonprofit organization without members, founded by domestic and foreign physical persons and legal entities, (hereinafter: persons) for pooling resources and assets in order to realize charitable and other activity, which are of public interest and importance.

Foundation may also be founded according to a testament.

**Article 4**  
**Foreign Non-governmental Organization**

Foreign non-governmental organization may operate on the territory of the Republic under conditions determined by this Law.

**Article 5**  
**Application of the Law**

Provisions of this Law shall not apply to: political organizations, religious communities, trade union organizations, sport organizations, business associations, and organizations and foundations whose founder is the State, as well as to non-governmental organizations established by a special law.

**Article 6**  
**Publicity of Affairs**

Operation of non-governmental organizations shall be public.

**Article 7**  
**Duration**

Non-governmental organization shall be founded for unlimited or limited period of time.

**Article 8**  
**Association**

Non-governmental organizations can associate with and join unions or other appropriate association of non-governmental organizations in the country and abroad.

Union of non-governmental organizations in the country is registered in the Registry according to the rules of registering of non-governmental organizations, determined by this Law.

**II FOUNDING**

**Article 9**  
**Founders**

Association may be founded by at least five persons with habitual residence, temporary residence or with main office in the Republic.

Foundation may be founded by at least one person regardless of habitual residence, temporary residence or main office in the Republic.

If several persons found the foundation, they shall exercise their rights jointly, unless otherwise envisaged by the Articles of Foundation.

## **Article 10**

### **Articles of Foundation**

Non-governmental organization shall be founded by the Articles of Foundation which contains: personal name or name of the founder, name of the organization, address and main office of the organization, goals and activities of the organization, period of duration of organization and personal name and the address of the person authorized for standing proxy and representation of the organization.

In addition to data referred to in paragraph 1 of this Article, the Articles of Foundation of the foundation shall contain data on the chairperson and members of the managing board as well as data on initial assets of the foundation.

If the foundation is founded by a testament, testament must contain data necessary for founding and registering of the foundation in the Registry or data on person authorized to undertake all activities necessary for founding and registering of the foundation.

## **Article 11**

### **Bylaws**

Non-governmental organization shall have the Bylaws.

The Bylaws of a non-governmental organization shall regulate: name and main office of the organization, internal organization, bodies of management and control, goals and activities of the organization, manner of financing, cessation of operations and disposition of assets and other relations important for activities and work of non-governmental organizations.

Non-governmental organization performing economic business activity shall be obliged to set such business activity in the Bylaws.

## **Article 12**

### **Protection of Name and Mark**

Name and mark of newly founded non-governmental organization must be different from the name and mark of a registered non-governmental organization.

Name of a non-governmental organization may be registered in the Registry in one or more foreign languages, provided that the name in the official language is written on the first place.

### **III REGISTRY OF NON-GOVERNMENTAL ORGANIZATIONS**

#### **Article 13 Competency**

The Registry of associations and the Registry of foundations shall be kept by the ministry competent for the public administration affairs (hereinafter: competent body).

Ministry competent for the public administration affairs shall regulate content and manner of keeping the Registry.

#### **Article 14 Registration in the Registry**

Registration in the Registry shall be executed based on the application for registration.

The Articles of Foundation and Bylaws shall be submitted along with the application for registration.

#### **Article 15 Publishing of the Registration in the Registry**

Decision on registration and decision on deletion from the Registry shall be published in the "Official Gazette of the Republic of Montenegro".

#### **Article 16 Deadline for Registration**

Registration in the Registry shall be executed within 10 days from the day of submission of the application for registration.

If registration in the Registry is not executed within the deadline prescribed in the paragraph 1 of this Article, it shall be considered that the registration was executed on the first day following the day of the deadline expiry.

#### **Article 17 Change of Data**

Non-governmental organization shall be obliged to inform the body competent for registration on any change of facts that are to be registered in the Registry within 30 days from the day of the executed change.

Change of facts referred to in the paragraph 1 of this Article shall not have a legal effect if not registered in the Registry.

**Article 18**  
**Registration shall not be performed**

Competent body shall not perform registration in the Registry if the non-governmental organization does not meet the requirements referred to in the Article 14 of this Law.

Against the decision referred to in the paragraph 1 of this Article an administrative dispute may be initiated.

**Article 19**  
**Operations of the Foreign Non-governmental Organization**

Foreign non-governmental organization may operate on the territory of Montenegro, provided that has registered its branch office in the Registry kept by the competent ministry.

Registration in the Registry shall be executed based on to the application for registration, along which the following shall be submitted:

- Proof of registration in domicile country;
- Personal name and address of the person authorized for standing proxy and representation of the organization;
- Data on the main office and organizational details (office, branch office, affiliation, representative office) of the foreign organization on the territory of the Republic.

Rules on registration of non-governmental organizations are also applied to registration of activities of a foreign non-governmental organization in the Registry.

**IV BODIES OF NON-GOVERNMENTAL ORGANIZATIONS**

**Bodies of the Association**

**Article 20**

Bodies of association shall be the Assembly and Managing Board.

The Bylaws may envisage other bodies as well.

**Article 21**

If the association has up to 10 members, all the members perform the function of the Assembly.

In the case referred to in the paragraph 1 of this Article the association shall not establish a Managing Board.

**Bodies of the Foundation**  
**Article 22**

Bodies of the foundation shall be the Managing and Supervisory Board.

Chairperson and the members of the Managing Board shall be appointed according to the Articles of Foundation.

Members of the Managing and Supervisory Board cannot be the same persons.

The Bylaws of the foundation may envisage other bodies as well.

**V LEGAL AND ECONOMIC STATUS**

**Article 23**  
**Legal Status**

Non-governmental organization shall have the status of a legal entity.

The status of a legal entity shall be acquired from the day of the registration in the Registry.

**Article 24**  
**Property**

Non-governmental organization shall acquire property through membership fees, voluntary contributions, gifts, subsidies, inheritance, interests on deposits, dividends, rental fee and in another manner permitted by the law.

**Article 25**  
**Economic Status**

Non-governmental organization may perform the economic business activity provided that the entire realized gain is used for performing its goals for which it has been founded on the territory of the Montenegro.

Non-governmental organization cannot perform economic business activity in case the revenues from the economic business activity exceed the amount of 4,000 euro in the previous calendar year or if such revenue exceeds the amount of 20% of the total annual revenue in the previous calendar year.

Non-governmental organization shall be obliged to be registers with the Central Registry of the Commercial Court in Podgorica for the purpose of performance of economic business activity.

Non-governmental organization shall perform economic business activity in accordance with special regulations which regulated requirements for performance of such type of business activity.

### **State Aid**

#### **Article 26**

The State shall provide financial support to non-governmental organizations.

#### **Article 26a**

Funds for provision of the financial support to non-governmental organizations shall be provided for in the Budget of the Republic of Montenegro.

#### **Article 26b**

Allocation of funds for provision of the financial support to non-governmental organizations (hereinafter: allocation of funds) shall be performed by the Commission for Allocation of Funds to Non-governmental Organizations (hereinafter: the Commission), appointed by the Parliament of the Republic of Montenegro, based on the proposal of the competent working body.

Commission shall have a president and six members.

Commission shall be appointed for the four-year period.

Manner of operations and decision-making of the Commission shall be regulated by the Rules of Procedure on Operation of the Commission.

#### **Article 26c**

Distribution of funds shall be executed based on the public competition announced by the Commission, for each year, no later than the expiration of the first quarter of the current year.

The competition shall be published in the daily newspaper outlet founded by the Parliament of the Republic of Montenegro.

#### **Article 26d**

The Competition for allocation of funds shall be open for 30 days from the day of publishing.

Commission shall be obliged to make a decision on allocation of funds within 30 days from the day of closure of the competition.

#### **Article 26e**

Commission shall execute allocation of funds based on the project submitted by the non-governmental organizations, along with the application for the competition, taking into consideration the following criteria:

- Contribution of the project to public interest realization in a specific area;
- Transparency and possibility to control the project implementation;
- Compatibility and project cooperation with international entities;
- Recommendations of experts from relevant fields for the proposed project.

Commission shall determine content of the application and the project and detailed criteria for allocation of funds.

#### **Article 26f**

The Commission shall be obliged to publish the decision on allocation of funds in the daily newspaper outlet founded by the Parliament of the Republic of Montenegro.

### **Tax and Other Benefits**

#### **Article 27**

The State shall be obliged to provide tax and other benefits for operation and development of non-governmental organizations in the Republic.

#### **Article 27a**

Inspection supervision of the operation of non-governmental organizations shall be performed by inspection bodies.

## **VI TERMINATION OF OPERATIONS**

#### **Article 28**

##### **Deletion from the Registry**

Non-governmental organization shall cease to exist by deletion from the Registry.

Deletion from the Registry shall be performed:

- If the period for which it was founded has expired, by expiration of the last day of that period;
- If the authorized body made a decision on termination of operations, by delivering the decision to the body competent for registration in the Registry by the person authorized for standing proxy and representation of the organization;

- If the work of non-governmental organization is prohibited, on the day of prohibiting the work of the non-governmental organization;
- On the day of completion of the bankruptcy proceeding or the voluntary liquidation proceeding if performs a economic business activity in accordance with the law that regulates proceeding of a bankruptcy and voluntary liquidation.

### **Article 29**

#### **Disposition of the Property**

Property of non-governmental organization to be deleted from the Registry shall be allocated to other non-governmental or humanitarian organizations registered in the Republic, in accordance with the decision of the competent body of the non-governmental organization.

## **VII PENALTY PROVISIONS**

### **Offences**

#### **Article 30**

A pecuniary fine in the amount from 10-fold to 50-fold of the amount of the minimum wage in the Republic shall be imposed for an offence to a non-governmental organization:

- If performs a business activity prior the registration in the Registry;
- If within 30 days does not report to the competent body change of data to be registered in the Registry;
- If performs activity which it is not registered for;
- If uses the name under which it was not registered.

A pecuniary fine in the amount from 2-fold to 10-fold of the amount of the minimum wage in the Republic shall be also imposed on a responsible person in a non-governmental organization for the offence referred to in paragraph 1, items 1, 2, 3 and 4.

#### **Article 31**

A pecuniary fine in the amount from 10-fold to 80-fold of the amount of the minimum wage in the Republic shall be imposed for an offence to a non-governmental organization if it generates revenues contrary to the provision of this Law.

A pecuniary fine in the amount from 2-fold to 15-fold of the amount of the minimum wage in the Republic shall be also imposed on a responsible person in a non-governmental organization for the office referred to in paragraph 1, of this Article.

**Note: see notes at the end of the text.**

## **VIII TRANSITIONAL AND FINAL PROVISIONS**

### **Article 32 Sub-normative Regulations**

The Ministry of Justice shall adopt regulations for the execution of this Law within 60 days as of the effective day of this Law.

### **Article 33 Harmonization with the Law**

Social organizations and associations of citizens registered in the Registry of Social Organizations and the Registry of Associations of Citizens shall be obliged to re-register as non-governmental association within 6 months from the effective day of this Law, in accordance with the provisions of this Law.

Foundations, funds and endowments registered in the Registry of foundations, funds and endowments shall be obliged to re-register as non-governmental organizations within 6 months from the effective day of this Law, in accordance with the provisions of this Law.

Social organizations, associations of citizens, foundations, funds and endowments, which do not harmonize with provisions of this Law within the prescribed deadline, shall cease to operate by operation of law.

### **Article 34 Cessation of Legal Provisions**

By coming into effect, this Law shall supersede the provisions of the Law on Associations of Citizens ("Official Gazette of the Socialist Republic of Montenegro", numbers 23/90 and 13/91 and "Official Gazette of the Republic of Montenegro" number 30/92) that refers to social organizations and associations of citizens, and the Law on Endowments, Foundations and Funds ("Official Gazette of the Socialist Republic of Montenegro", number 24/85).

### **Article 35 Coming into Force**

This Law shall come into force on the eighth day from the day of its publication in the "Official Gazette of the Republic of Montenegro".

**Notes:**

Following provisions of Articles 6, 7 and 8 of the Law on changes and additions to the Law on Non-Governmental Organizations (Official Gazette of Montenegro number 11/07 dated 13<sup>th</sup> December 2007) were not entered in the cleaned text of the Law:

**“Article 6**

Article 31 shall be amended to read:

“A pecuniary fine in the amount from 10-fold to 300-fold of the amount of the minimum wage in Montenegro shall be imposed for an offence to a non-governmental organization if it continues to perform an economic business activity even if it exceeds the census of 4,000 euro or 20% of total annual revenue (Article 25, paragraph 2).

A pecuniary fine in the amount from 5-fold to 20-fold of the amount of the minimum wage in Montenegro shall be also imposed on a responsible person in a non-governmental organization for the offence referred to in paragraph 1, of this Article.

**Article 7**

Provisions of the Article 6 of this Law shall be applied from 31<sup>st</sup> March 2008.

Non-governmental organizations that have the approval from the Central Bank to perform activities referred to in Article 8 of the Decision on Micro-Credit Financial Institutions (Official Gazette of the Republic Of Montenegro, number 1/03) as of the effective day of this Law may perform those operations until no later than 31<sup>st</sup> December 2008.

**Article 8**

This Law shall come into force on the eighth day from the day of its publication in the "Official Gazette of Montenegro".

SU-SK Number 01-638/10  
Podgorica, 27<sup>th</sup> November 2007  
Parliament of Montenegro  
Speaker  
Ranko Krivokapić, signed