

GUIDE HOW TO LAUNCH **E-COMMERCE** IN MONTENEGRO

ecommerce4all.eu

2022

Project supporter

	ABOUT THE PLATFORM	1
I.	WHAT IS NEEDED TO ESTABLISH AND REGISTER AN E-COMMERCE BUSINESS IN MONTENEGRO?	2
	WHAT CONDITIONS SHOULD AN E-SELLER MEET?	2
II.	HOW TO START AN E-COMMERCE BUSINESS - STEP-BY-STEP	3
	RESEARCH	3
	CREATE A BUSINESS PLAN	3
	PLAN YOUR FINANCES	5
	ESTABLISHMENT OF A COMPANY (FOR E-COMMERCE)	4
	CHOOSE A METHOD OF ONLINE SALE	7

ABOUT THE PLATFORM

ecommerce4all.eu

The ecommerce4all.eu platform is a resource and information center on key e-commerce aspects for all CEFTA markets (Albania, Bosnia and Herzegovina, N. Macedonia, Moldova, Montenegro, Serbia, and Kosovo*). The web platform consists of relevant e-commerce data and resources, including basic e-commerce data, interactive graphs, and data on CEFTA e-commerce market development, as well as data on key aspects of doing business in e-commerce.

The data on key aspects of doing business in e-commerce is structured in five modules: e-commerce data, regulation, payment, delivery, and e-commerce success stories in all CEFTA markets. Each of these modules will contain relevant market-specific information, tutorials, manuals, topic-related documents, and video presentations, except for the first module “e-commerce data” which is meant to present the state of e-commerce in all CEFTA markets through statistics and data on the development of the e-commerce markets (interactive graphs of the state of e-commerce in each market and comparisons of e.g. customers, payment cards, digital skills, UNCTAD B2C e-commerce readiness index and other relevant Eurostat data). All data will be presented in both the local language of each of the CEFTA markets and in English.

The platform is supported by the Open Regional Fund for South – East Europe – Foreign Trade project, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ).

*This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

WHAT IS NEEDED TO ESTABLISH AND REGISTER AN E-COMMERCE BUSINESS IN MONTENEGRO?

In order to start working and conducting e-commerce, an internet merchant (legal entity) must first be registered as a company in the Central Register of Business Entities of Montenegro. Those companies that are already registered in the Central Register and operate as "offline" sellers, but want to expand the way of selling goods and services, do not have to re-register or complete the registration, but only report their online activity to the Directorate for Inspection Affairs, i.e. the Department for market inspection.

WHAT CONDITIONS SHOULD AN E-SELLER MEET?

Unlike physical stores, which according to regulations must meet certain minimum technical requirements and room standards in order for a seller to be able to trade through it, owning and operating an online store does not require a physical space at all. Also, an online seller does not have to have his own offline store at all, but can only work online.

In physical stores, according to regulations, a certain minimum number of employees is required, which depends on the store's working hours (one or two shifts). An online store, from a theoretical point of view, can work with only one employee and thus meet the legal requirements, regardless of the fact that the working hours are 24/7 because most of the processes are automated and do not require people to work in shifts.








HOW TO START AN E-COMMERCE BUSINESS - STEP-BY-STEP

Like starting an offline business, registering an e-commerce company is no different. Here are some steps you can take to start the job preparation process.

STEP 1: RESEARCH

For a small business to be successful, it must meet a need or offer something that the market wants. There are several ways you can identify this need, and some of the questions you need to answer include:

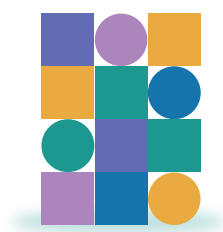
-  Is there a need for your expected products/services?
-  Who needs it?
-  What is the competition like?
-  Are there other companies offering similar products or services in the same market?
-  How will your business fit into the market?

STEP 2: CREATE A BUSINESS PLAN

A business plan is a plan that will guide your business from the start-up phase to business growth. The good news is that there are different types of business plans for different types of businesses.

STEP 3: PLAN YOUR FINANCES

Make a list of the start-up costs for your business (licenses and permits, equipment, insurance, market research, inventory, trademarks, etc.), as well as the costs necessary to maintain your business for at least 12 months (rent, utilities, marketing, advertising, production, materials, travel expenses, staff salaries, own salary, etc.). These figures would represent the initial investment you will need to start your own business.



STEP 4: ESTABLISHMENT OF A COMPANY (FOR E-COMMERCE)



Company name - This is the first and very important step. Before you start, you need to have an idea of what your company will be called. When you come up with a name, you check on the website of the Central Registry of Montenegro whether that name is free or not. If it is free, move on to the next stage of this step, and if not, look for a name that is not yet registered in the Central Registry.



Company registration - The procedure for establishing a limited liability company (llc) is defined by the [Companie Law](#). When registering an LLC, it is necessary to attach the following to the [Central Register of Business Entities](#):

- Make the Decision on the establishment of the company (if the company is founded by one founder). [Download the example of the Decision on establishment.](#)
 - ◆ Make the Agreement on the establishment of the company (if the company is founded by several founders). [Download the example of the Agreement on establishment .](#)
- Make the Company Statute. [Download the example of the Statute for a single-member company](#) (if the company is founded by one founder).
 - ◆ [Download an example of the Statute for a multi-member company](#) (if the company is founded by several founders). When choosing the basic and additional activities, use the list of activities specified in the law on the classification of activities (4-digit codes are entered). [Download the Law on Classification of Activities.](#)
- Pay € 5.00 to the account of the Tax Administration, account number: 832-3161017-60, purpose of payment: registration llc. [See how the completed payment slip looks like.](#)
- Pay € 3.00 to the account of the Official Journal of Montenegro, account number: 520-941100-57, purpose of payment: registration llc. [See how the completed payment slip looks like.](#)
- Notarize the Decision/Agreement in Court or with a Notary.
- Pick up a statement from the CDA (Central Securities Depository and Clearing Company). When picking up a statement at the address: Svetlane Kane Radević bb, 81000 Podgorica, it is necessary to attach a copy of the founder's identity card or a copy of the passport if the founder is a foreigner, as well as a payment slip in the amount of € 6.05 paid to one of the accounts of the CDA: 510-8092-14 or 550-3143-63, purpose of payment: statement fee. [See what the completed payment slip looks like.](#)
- A copy of the identity card (if the founder is a Montenegrin citizen) or a copy of the passport (if the founder is a foreign citizen).
- Make and sign (executive director) the consent of the executive director with the appointment. [Download the Consent of the executive director to the appointment.](#)
- Fill out the company application to start registration. [Download the registration form - PS 01.](#)

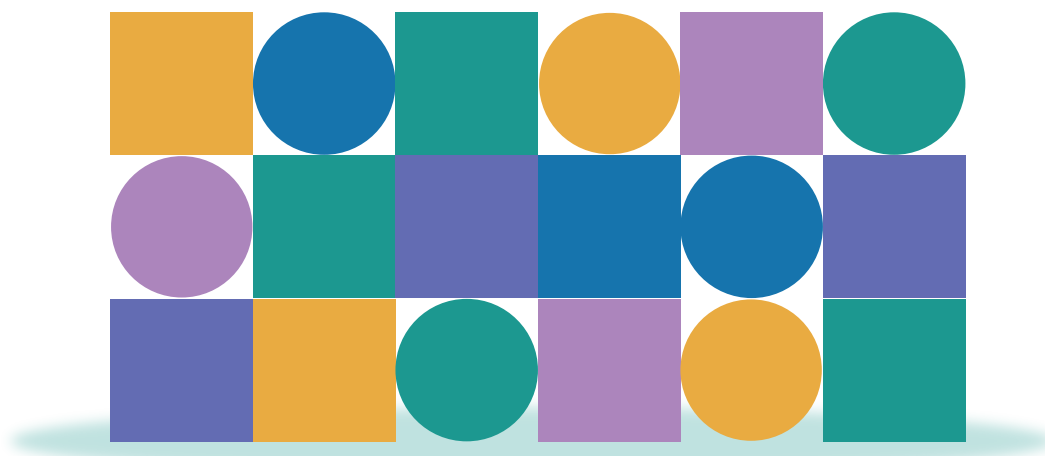
Customs number - if the company wants to import and export products, it is necessary, when filling out the form PS-01 on the back page, mark the column with the number 15.4.- **Customs register**, in order for the company to be registered with the Customs Administration, whereupon a customs number is obtained.

- If the company wants to apply for VAT registration, form PR VAT - 1 is filled out, available at the following link [Form PR VAT - 1](#), and submitted together with other documentation required for the establishment of a company.
- If the company wants to apply for registration in the register of excise payers, fill out the form AKC-P available at the following link [Form AKC-P](#), and submit it together with other documentation required for the establishment of a company.
- Take the collected and certified documentation (statute, certified decision/contract, CDA decision, copy of ID or passport, payment slip and registration application, form pr vat-1 / akc-p) to the Central Register of the Tax Administration, Vaka Djurovića 20, 81000 Podgorica, Tel: +382 (0)20 230 858, e-mail: crps@t-com.me, working hours with clients 08:00 - 12:30.

When submitting the documentation, you will receive a confirmation with the number of your decision with which you pick up the registration certificate with the identification document one week after submitting the application. You can also check with the number from the confirmation on the website www.crps.me whether your registration is complete.

After receiving the company registration certificate, it is necessary to do the following:

- Making a seal (take care that the appearance of the seal corresponds to the description from the Statute)
- Opening a bank account. [See How to open a bank account.](#)
- Registration of an employee to the Tax Administration. [See How to register an employee in the Tax Administration.](#)



Branch office - If you plan to run your company outside the place where your company is registered, you need to organize a branch office. You can organize a branch immediately with the registration of the company if you would like to start working with it immediately. However, it can also be registered at any moment during the company's lifetime.

Opening a bank account - To open a bank account, you need to bring the following to the chosen bank:

- **Legal entity, Company**

- ◆ Completed and certified OP form (municipality, court or notary). [Download the OP form here](#)
- ◆ Certificate of company registration
- ◆ Statute or founding decision
- ◆ PIB
- ◆ VAT
- ◆ Identity card or passport of the person/s authorized for representation
- ◆ Company seal

- **Entrepreneur** - To open a bank account, you need to bring the following to the chosen bank:

- ◆ Completed and certified OP form (municipality, court or notary). [Download the OP form here](#)
- ◆ Certificate of entrepreneur registration from the central register
- ◆ Identity card or passport of the authorized representative
- ◆ Seal of an entrepreneur

Opening a transaction account for an e-seller - In order for a bank in Montenegro to enable its client - an e-seller, to engage in electronic commerce, a number of conditions must be fulfilled, including the submission of a business plan. The bank checks and evaluates a potential online seller in order to prevent fake and frivolous companies from opening a webstore in time. The bank does not open a separate account for the online seller to carry out e-commerce, but if he was already a client of that bank, he can use it for inflows made through online payments, and if he was not a client of that bank, the bank then opens a single transaction account. Some banks require their clients to confirm that they have been operating in Montenegro for a minimum 12 months. The bank and the online seller enter into a contract that more precisely regulates mutual rights and obligations. The entire procedure of checking and concluding the contract is somehow imposed by international card organizations, which in this way deal with situations of possible later transaction disputes. The following documentation is required:

- Business plan
- Completed and signed Application Form for e-commerce issued by the bank
- Certificate of domain and hosting (confirms possession of internet address and space on which the site will be placed)

STEP 5: CHOOSE A METHOD OF ONLINE SALE

Before starting an e-commerce business, an e-seller needs to choose which method of online sales will be used. Below are the available options:



Own webstore - Your own webstore can be created in one of the following ways:

- Built on an open source platform like WordPress, Magenta, etc.
- Made according to a customized solution to the seller's needs, which is a higher quality, but more expensive variant
- Built on a do-it-yourself platform that allows you to create your own online store that accepts credit and debit card payments without any technical knowledge. Such platforms (for example Shopify) are paid monthly for maintenance and use



Online Marketplace - Online marketplaces are a common e-commerce web platform where multiple independent vendors sell their products online. There are several types of markets, the most common being the general market and the auction market. The most popular general marketplace is Amazon and the most popular auction marketplace is eBay. While Amazon sellers sell everything, eBay is more likely to attract merchants who, in addition to consumer goods, offer rare goods and antiques to collectors. Other examples of internationally known online markets are Etsy, AliExpress, etc



Dropshipping is a form of retail in which the e-seller does not have products in stock, i.e. orders from a supplier/manufacturer who delivers them directly to the customer - only after the customer makes the order. This allows any shipper to open their own webstore without significant initial capital. The biggest disadvantages of this type of online trade are very low sales margins and a competitive market, with little (or no) quality control of delivered goods.



Online advertiser - An online advertiser is a website where private and business users have the ability to post ads for the sale of products, which are usually charged at the time of download. Direct sales without verification and control is a virtue and the biggest disadvantage of this platform because there is no possibility to verify the seller or buyer of the product.



Selling through social networks - Social networks, especially Facebook and Instagram, offer the possibility of selling products through the Facebook Store or Instashop. It is about the possibility of connecting the webstore and social networks, which is a good strategy for multi-channel sales. Although it is technically possible to sell a product exclusively through social networks, it is not recommended for businesses.



Project implementator



Project partners



eCommerce Association in
Bosnia and Herzegovina



STIKK
KOSOVO ICT ASSOCIATION



AECA
ALBANIAN E-COMMERCE ASSOCIATION



PRIVREDNA
KOMORA
CRNE GORE

AmCham Moldova
fighting for your business

This publication was produced with the financial support
of the European Union and the German Federal Ministry of Economic Cooperation and Development (BMZ).
Its contents are the sole responsibility of the Chamber of Economy of Montenegro.
and do not necessarily reflect the views of the EU or the Federal Ministry of Economic Cooperation and Development (BMZ).