

Pursuant to Article 39 paragraph 3 of the Law on Cinematography (“Official Gazette of Montenegro”, Nos. 042/15 and 084/18), the Government of Montenegro, at its session of 9 July 2026, adopted the following:

DECREE
ON MORE DETAILED CRITERIA, METHOD AND PROCEDURE FOR
EXERCISING THE RIGHT TO REIMBURSEMENT OF A PORTION OF FUNDS
SPENT FOR THE PRODUCTION OF A CINEMATOGRAPHIC WORK
(CASH REBATE)

(“Official Gazette of Montenegro”, Nos. 115/26 of 4 August 2026)

Subject Matter

Article 1

This Decree prescribes a more detailed criteria, method, and procedure for exercising the right to reimbursement of a portion of the funds spent in Montenegro for the production of a cinematographic work (hereinafter referred to as: “the Cash Rebate”).

Use of Gender-Sensitive Language

Article 2

The terms used in this Decree for natural persons in the masculine gender shall apply to the same terms in the feminine gender.

Criteria for Exercising the Right to Cash Rebate

Article 3

The criteria for exercising the right to the Cash Rebate shall be as follows:

- 1) The cultural content of the cinematographic work;
- 2) The contribution of human capacity from Montenegro in the production of the cinematographic work;
- 3) The use of Montenegro’s production capacities in the production of the cinematographic work.

Method of Exercising the Right to Cash Rebate

Article 4

The procedure for exercising the right to the Cash Rebate by a request for the Cash Rebate (hereinafter referred to as: “the Request”), which shall be submitted by the producer to the Film Centre of Montenegro (hereinafter referred to as: “the Centre”), at

latest within 15 days prior to the commencement of filming of the cinematographic work in Montenegro.

The request shall contain data on: the applicant and the cinematographic work produced in Montenegro, data on the financing of the cinematographic work, the qualification test, and a list of mandatory documentation to be submitted with the request.

The request shall be submitted at latest within 1 October of the current year, for the exercise of the right to the Cash Rebate in that financial year.

For requests submitted after 1 October of the current year, the Cash rebate shall be provided in the budget for the following year.

The request shall be submitted using Form 1, which forms an integral part of this Decree.

Qualification Test

Article 5

The qualification test shall be a test used to assess the criteria referred to in Article 3 of this Decree.

In order for a cinematographic work to qualify for the Cash rebate, the applicant shall obtain at minimum 15 points in total based on all criteria referred to in Article 3 of this Decree, and at minimum four points per criterion, in accordance with the scoring method established by the qualification test.

Mandatory Documentation to accompany the Request

Article 6

The following documentation shall be submitted with the request:

- 1) a power of attorney for submitting the request, certified by a notary;
- 2) a co-production agreement or production service agreement in the cases referred to in Article 8 of this Decree, certified by a notary, clearly defining the obligations of the parties to the agreement;
- 3) the screenplay and synopsis of the cinematographic work, with evidence of regulated copyright;
- 4) a presentation of the production budget of the cinematographic work in Montenegro, including an overview and specification of total production costs in

- Montenegro by category, with precisely stated items and amounts intended to be spent in Montenegro, both with and without calculated taxes;
- 5) evidence of funds provided from the budget of Montenegro and funds provided from other sources for financing the production of the cinematographic work;
 - 6) a crew list of the cinematographic work, indicating members who are Montenegrin citizens;
 - 7) a plan for the implementation of the cinematographic work, with dates of activities in Montenegro;
 - 8) evidence of the applicant's previous experience in the production of a cinematographic work;
 - 9) an audit agreement executed with an auditor authorised to operate in Montenegro in accordance with the law (hereinafter referred to as: "the Authorized Auditor").

The request and documentation referred to in paragraph 1 of this Article shall be submitted in the Montenegrin language or in a foreign language with a certified translation into the Montenegrin language.

The request and documentation referred to in paragraph 1 of this Article may also be submitted by electronic mail, in which case the original documentation shall be delivered to the Centre upon signing the agreement.

The Centre shall ex-officio obtain the following information regarding the applicant:

- 1) an extract from the Central Register of Business and Other Entities on pursuing cinematographic activities – film production activity; and
- 2) a certificate from the authority that all tax liabilities have been settled.

Applicant

Article 7

The applicant for domestic and international co-productions involving several domestic producers shall be the producer from Montenegro who, with the consent of all co-producers, has been granted power of attorney to submit the request and participate in the Cash Rebate procedure.

The request for the Cash Rebate for the production of a foreign cinematographic work shall be submitted by foreign producers or co-producers (hereinafter: project promoter) through a domestic producer engaged as a production service provider for that work under an agreement, who shall be granted power of attorney to submit the request

and participate in the Cash Rebate procedure (hereinafter referred to as: “the Authorized Producer”).

Where the authorized producer is a newly established legal person, at the request of the foreign producer, the agreement referred to in paragraph 2 of this Article shall precisely specify information on settled liabilities of related legal persons in which the authorised producer is a responsible person or member of a management body, as well as data on previous experience.

Commission for Determining Proposals for Exercising the Right to the Cash Rebate

Article 8

The Centre shall establish a Commission for Determining Proposals for Exercising the Right to the Cash Rebate (hereinafter referred to as: “the Commission”).

The Commission shall have five members, consisting of one representative each from:

- 1) producers, on the proposal of the state administration authority competent for cultural affairs;
- 2) the state administration authority competent for cultural affairs;
- 3) the state administration authority competent for financial affairs;
- 4) the state administration authority competent for tourism affairs;
- 5) employees of the Centre, upon the proposal of the Director of the Centre.

The President of the Commission shall be elected from among its members.

The term of office of Commission members shall be two years, and the same person may be reappointed.

The Centre shall carry out professional and administrative tasks for the needs of the Commission.

The rules of operation and decision-making of the Commission shall be governed by its Rules of Procedure.

Prevention of Conflict of Interest and Confidentiality

Article 9

The President and members of the Commission shall not participate in the examination of a request relating to the production of a cinematographic work in which they are, on any way, involved.

In the case referred to in paragraph 1 of this Article, the President and members of the Commission shall, without delay, notify the Centre in writing.

The President and members of the Commission, as well as persons involved in the Cash rebate procedure, shall keep information obtained in accordance with regulations governing the protection of data constituting a business secret.

Tasks of the Commission

Article 10

The Commission shall:

- 1) review and consider submitted requests;
- 2) assess compliance with the requirements prescribed by law and criteria prescribed by this Decree and determine the number of points based on these criteria;
- 3) submit a proposal to the Director of the Centre to conclude the Cash Rebate Agreement with the producer or to reject the request;
- 4) supervise the production of the cinematographic work for which Cash Rebate Agreement has been concluded;
- 5) assess compliance with the Cash Rebate Agreement upon completion of the production of the cinematographic work in Montenegro and provide an opinion to the Director of the Centre regarding the reimbursement of funds or its rejection;
- 6) carry out other tasks of importance for the implementation of the refund procedure.

Total Production Costs of the Cinematographic Work

Article 11

The total production costs of a cinematographic work shall be considered the costs incurred from the date of signing the co-production agreement or production service agreement, certified by the notary, which relate to the production of the cinematographic work up until its completion in in Montenegro, incurred or paid to legal and natural persons in the territory of Montenegro: on the basis of services rendered or goods procured; by renting movable and immovable property owned by Montenegrin citizens or

legal entities headquartered in Montenegro; as well transportation costs and payment of fees to crew members who are Montenegrin citizens or foreign nationals residing in Montenegro for at least one year based on a temporary residence and work permit in accordance with the law governing the residence of foreign nationals in Montenegro.

Airfare costs shall be recognized only if the air transport service was provided by the Montenegro's national carrier.

The costs not recognized as total production costs of a cinematographic work shall be post-production costs, promotion (marketing) and distribution costs of the cinematographic work, costs of purchasing real estate, as well as value added tax costs.

The list of total costs for the production of a cinematographic work referred to in paragraph 1 of this Article is provided in Annex 1, which forms an integral part of this Decree.

Cash Rebate Agreement

Article 12

The Centre, based on the proposal of the Commission, shall conclude the Cash Rebate Agreement with the applicant (hereinafter referred to as: "the Agreement") within 30 days from the date of submission of the request.

The Agreement shall define the implementation plan of the production of the cinematographic work, the planned project budget amounts, the portion of the budget related to the production in Montenegro, the planned total production costs in Montenegro, amount of Cash Rebate in relation to the planned production costs in Montenegro, the obligation to acknowledge financial support, as well as other elements of importance for project implementation and Agreement performance.

Obligation to Notify the Centre

Article 13

The applicant shall be obliged to inform the Centre in writing in the event of:

- 1) deviation from the production implementation plan;
- 2) change in the sources of financing for the production;
- 3) significant alterations to the film crew;
- 4) changes to other data from the request and mandatory documentation submitted with the request.

The notification referred to in paragraph 1 of this Article shall be submitted within seven days from the date of the change.

Cash Rebate

Article 14

The applicant shall, within 45 days from the date of completion of production of the cinematographic work in Montenegro, submit to the Centre the report of the authorised auditor and evidence confirming that the total production costs in Montenegro for the Cash Rebate for the production of a cinematographic work (invoices, agreements, bank statements indicating executed payment, etc.).

The report of the authorized auditor referred to in paragraph 1 of this Article shall be developed on the basis of verification of all total production costs and shall not be based on sampling method, and/or verification of only part of documentation.

On the basis of the evidence referred to in paragraph 1 of this Article, the Commission shall provide an opinion on the authorized auditor's report.

The Centre, based on the opinion of the Commission, shall issue a decision on the Cash Rebate and submit it to the state administration authority competent for financial affairs, in addition with the complete documentation on the basis of which the Cash rebate Agreement was concluded and payment approved, or shall issue a decision rejecting the Cash Rebate.

Rejection of the Cash Rebate

Article 15

The Centre shall issue a decision rejecting the Cash Rebate for the production of a cinematographic work, where the Commission determines that:

- 1) the authorized auditor's report has identified irregularities in the producer's conduct during the production of the cinematographic work;
- 2) the producer has breached the provisions of the agreement;
- 3) the producer has failed to notify the Centre in accordance with Article 13 of this Decree.

Obligation to Acknowledge Financial Support

Article 16

The project holder who has exercised the right Cash Rebate for the production of a cinematographic work shall be obliged to display information that the Centre

financially supported the execution of production of that cinematographic work, at an appropriate visible place, in such a manner that the Centre's logo and the "Film in Montenegro" logo shall be displayed in the opening and closing credits, as well as in all versions, copies, and promotional materials during the screening of the cinematographic work in the country and abroad.

**Superseding
Article 17**

The entry into force of this Decree shall supersede the Decree on More Detailed Criteria, Method and Procedure for Exercising the Right to Reimbursement of a Portion of Funds Spent for the Production of a Cinematographic Work (Cash Rebate) ("Official Gazette of Montenegro", No. 54/17).

**Entry into Force
Article 18**

This Decree shall enter into force on the eighth day following its publishing in the "Official Gazette of Montenegro".