
Montenegro - Arm's length interest rate published for 2023

December 23, 2022

In brief

Montenegrin Ministry of Finance has published arm's length interest rate applicable for 2023.

Montenegrin Ministry of Finance has published the Rulebook on arm's length interest rate for financial instruments between related parties applicable for 2023 ("Official Gazette of Montenegro", no. 142/22). The Rulebook will be applicable as of January 1, 2023.

Arm's length interest rate published by the Ministry of Finance for loans and other financial instruments between related parties for 2023 amounts to **3.98%**.

Namely, according to the Corporate Income Tax Law, the arm's length level of interest can be determined by using the interest rate published by the Ministry of Finance or by using general transfer pricing rules. In that respect, it can be noted that, while interest rate published by the Ministry provides for a fixed rate, analysis under general rules can provide an arm's length range, rather than a single value, and can take into account specific conditions and comparability factors of the particular intercompany loan.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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