

ACT ON FOREIGN TRADE IN WEAPONS, MILITARY EQUIPMENT AND DUAL-USE ITEMS

I GENERAL PROVISIONS

Subject of the Act

Article 1

This Act regulates the conditions for conducting foreign trade in weapons, military equipment and dual-use items (hereinafter referred to as: controlled goods), providing services in relation to controlled goods, terms and procedure of issuing authorization, competence of the authorities, supervision over implementation of the Act, as well as other issues of importance for foreign trade in controlled goods.

Aim of the Act

Article 2

This Act provides conditions for establishing state control in conducting foreign trade in controlled goods, in order to establish and protect defense, security and foreign policy interests of Montenegro and to ensure respect of the international obligations taken over by Montenegro.

Conducting foreign trade in controlled goods

Article 3

Foreign trade in controlled goods can be conducted by an entity with the authorization for foreign trade in controlled goods, issued in accordance with this Act.

Prior to the foreign trade activity, the entity referred to in paragraph 1 of this Article, is obliged to establish whether the goods in question fall under the category of controlled goods, pursuant to this Act.

Implementation of the regulations

Article 4

For the proceedings conducted pursuant to this Act, the provisions of the Act regulating General administrative proceeding are to be applied, unless this Act stipulates otherwise.

Suppressions

Article 5

Technical assistance shall be prohibited if it is:

- Intended or may be used for development, production, handling, operation, maintenance, stockpiling, storage, identification or dissemination of chemical or biological weapons, nuclear weapons or other nuclear warheads or in connection with the development, production, maintenance or stockpiling of missiles capable of delivering such weapons,

- Intended or may be used for a military end- use, in the countries of destination, which are subject to an arms embargo according to the common position or joint action, adopted by the Council of the European Union, based on the Decision of the Organization for Security and Cooperation in Europe, or on the basis of the binding resolution of the Security Council of the United Nations.

Provision referred to in paragraph 1 subparagraph 1 of this article does not refer to the technical assistance in:

- The member states of the European Union, Australia, Canada, Japan, New Zealand, Norway, Switzerland, United States of America;

- The form of transmission of information, generally known or represent basic scientific researches,

- Verbal form, if it is not related to the goods listed in the national control lists.

Competent authority for passing national control lists

Article 6

The Government of Montenegro (hereinafter referred to as: the Government), on the proposal of the Ministry competent for foreign trade issues (hereinafter referred to as: the Ministry), shall pass and update national control list of weapons and military equipment and national control list of dual- use items, as well as other lists, for:

- Harmonization of national legislation with the legislation of the European Union;
- Enforcement of sanctions against particular countries, entities and persons or for the implementation of the conventions in the field of arms control and control of technology transfer;
- The interests of defense and security of Montenegro;
- Control of trade in goods which is or may be, in their entirety used for development, production, handling, operation, maintenance or other servicing, stockpiling, storage, identification, testing or proliferation of chemical and biological weapons, nuclear weapons or other nuclear warheads or for the purpose of development, production, maintenance or other servicing, testing, stockpiling or proliferation of missiles or other carriers for such weapons.
- Control of the trade in weapons, ammunition or explosive devices and other items which are designed and intended for military purposes, and which is not referred to in subparagraph 3 of this article.

Comprehensive provision (Catch-all)

Article 7

The authorization shall be required for the export of dual use items not listed in the national control list of the dual -use items, if:

1) the Exporter has been informed by the Ministry that the items are or may be intended, in their entirety or in part, for use in connection with the development, production, handling, operation, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices or the development, production, maintenance or storage of missiles capable of delivering such weapons;

2) the purchasing country or country of destination is subject to an arms embargo decided by a common position or joint action, adopted by the Council of the European Union or a decision of the Organization for security and cooperation in Europe, or an arms embargo imposed by the binding resolution of the Security Council of the United Nations or if the exporter has been informed by the Ministry that the items in question are or may be intended, in their entirety or in part, for a military end –use.

3) the exporter has been informed by the Ministry that the items in question are or may be intended, in their entirety or in part, for use as parts or components of military items listed in the national military list, that have been exported from the territory of Montenegro without authorization stipulated by this Act.

If an exporter is aware that dual- use items which he proposes to export, not listed in National control list of the dual use items, are intended, in their entirety or in part, for any of the uses referred to in paragraph 1 of this article, he must notify the Ministry about that, which will decide whether or not it is expedient to make the export concerned subject to authorization.

The Government may impose an authorization requirement on the export of dual- use items not listed in National Control list of dual use items, if exporter has grounds for suspecting that those items are or may be intended, in their entirety or in part, for any of the uses referred to in paragraph 1 of this article.

The Ministry which imposes an authorization requirement, in application of paragraphs 1, 2 and 3 of this article, on the export of dual-use items not listed in National control list of the dual-use items, shall, where appropriate, inform other countries and the European Union Commission.

The Ministry shall inform customs and other relevant authorities, provided that it has been informed by other countries on adoption or updating of their regulations, referred to in paragraph 3 of this article.

Control of brokering activities

Article 8

For brokering activities, conducted in relation with weapons and military equipment, located in other country or on the economic territory and for which customs clearance procedure for import is not conducted, and which shall be exported to the third country, the authorization is requested.

An authorization is also requested for brokering activities:

- Related to the dual- use items which are enumerated in a special part of the national control list of the dual- use items, or

- If a broker is informed by competent authorities of Montenegro that the items in question are intended for or may be used, in their entirety or in part, for any of the purposes referred to in article 8, paragraph 1 of this Act.

Meaning of the terms

Article 9

Some of the terms used in this Act shall have the following meaning:

1) **Foreign trade in controlled goods** shall mean: export, import and delivery of services;

2) **Controlled goods** shall mean:

- Weapons, military equipment and technologies determined by the national control list of weapons and military equipment,

- Dual used- items determined by the national control list of dual- use items, including software and technology, which, can be used both for civil and military purposes, and shall include all goods which can be used for both non-explosive uses and assisting in any way in the manufacture of nuclear weapons or other nuclear explosive devices;

3) **Entity** shall mean: any natural or legal person, that has residence, or is located on the territory of Montenegro, registered for foreign trade in controlled goods ;

4) **Export of the controlled goods** shall mean: taking out or delivery of goods from the territory of Montenegro in compliance with the customs regulations, including transmission of software or technology by electronic media, telephone-fax, or oral transmission of technology by telephone, only where the technology is contained in a document, the relevant part of which is read out over the telephone, or is described over the telephone in such a way as to achieve substantially the same result;

5) **Import of the controlled goods** shall mean: taking in or delivery of goods to the territory of Montenegro in compliance with the customs regulations, including transmission of software or technology by electronic media, telephone-fax, or oral transmission of technology by telephone, only where the technology is contained in a document the relevant part of which is read out over the telephone, or is described over the telephone in such a way as to achieve substantially the same result;

6) **transportation** shall mean any type of shipping (land, water, air) of controlled goods from the territory of Montenegro and to the territory of Montenegro;

7) **transits** shall mean any kind of transportation (land, water, air) of controlled goods (with and without re-loading), over the territory of Montenegro without putting those items in trade in Montenegro;

8) **exporter** shall mean any person on whose behalf an export declaration is made, that is to say the person who, at the time the declaration is accepted, holds the contract with the consignee in the third country and has the power for determining the sending of the item out of the customs territory of Montenegro;

9) **importer** shall mean any person on whose behalf an import declaration is made;

10) **Services** shall mean acquiring benefits, assignment of interests and other business activities referring to controlled goods, including brokering services and technical assistance;

11) **Brokering activity** shall mean negotiation or contraction of transactions which for subject have buying, selling or supplying with controlled goods from one foreign country to another foreign country or providing information to a person who is buying, selling or supplying with those goods from one country to another, excluding the activities such as transport, financial services, insurance, re-insurance, advertising and promotion;

12) **Broker** shall mean: a person dealing with brokering activities from the territory of Montenegro; natural person who is a citizen of Montenegro and who has residence on the territory

of Montenegro, and conducts brokering activities outside of Montenegro; legal person who has a seat on the territory of Montenegro and conducts brokering activities outside of Montenegro;

13) **Technical assistance** shall mean assistance related to development, production, assembling, testing, repairing or maintenance of controlled goods, as well as any other technical service, which may be in a form of instruction, training, transfer of business knowledge and skills or consulting services, including all types of oral assistance,

14) **Military end- use** shall mean

- Incorporation parts or components into military items listed in the national military list;
- Use production-, test - or analytical equipment and components thereof, for the development, production or maintenance of military items listed in the national military list,
- Use of any unfinished products in a plant for the production of military items listed in the listed in the national military list.

II PRECONDITIONS FOR CONDUCTING FOREIGN TRADE IN CONTROLLED GOODS

1. Registration

Register of entities

Article 10

Foreign trade in controlled goods can be conducted by an entity entered into the Register of entities for conducting foreign trade in controlled goods (hereinafter referred to as: Register).

The Register is kept by the Ministry.

Registration

Article 11

Entering into the Register shall be done on the basis of an entity's written request.

In addition to the request referred to in paragraph 1 of this article, applicant is obliged to submit:

- 1) A statement of on the registered business, from the Central Register of the Commercial Court;
- 2) The name of the bank the entity is the depositor of, bank confirmation that the entity account has not been blocked for the last six months and the copy of deposited signatures' card;
- 3) Confirmation of the relevant authority that the entity is not under bankruptcy;
- 4) Certificate of the competent authority that the entity has no outstanding obligations under the customs duties and taxes;
- 5) Data on the number and structure of employees;
- 6) Statement which makes an entity obliged to enable and help the Ministry and competent authorities to conduct oversight of business in the area of controlled goods as well as to control of storage facilities and means of transportation,
- 7) A written agreement on the acceptance of security checks.

The Ministry shall, officially, acquire the evidence from the competent authority that applicant referred to in paragraph 1 of this article has not been convicted or that the criminal proceeding for criminal acts against the constitutional order and security of Montenegro, against humanity and rights guaranteed under international law, against life and body, property, as well for other criminal offences with the elements of violence, self-interest or base instincts, has not been initiated against him.

The Ministry shall pass the decision on entry into the Register.

The decision on entry into Register shall be valid for a period of five years.

An entity entered into Register shall be obliged to notify, in a written form, all the changes of data based on which it has been entered into Register, within 15 days from the day the change occur.

The Ministry shall, by the decision, refuse to make an entry into the Register, if an applicant does not comply with the requirements referred to in paragraphs 2 and 3 of this article.

The Ministry shall decide on application form referred to in paragraph 1 of this article, as well as on the form and the way of keeping Register.

Erasing from the Register

Article 12

Ministry will make a decision on erasing the entity from the Register if:

- 1) New facts or evidences are established, which would, alone or in connection with derivative evidences, serve as a reason for erasing from Registrar;
- 2) A responsible person within a legal entity or a legal entity is convicted for criminal act against payment activities and economic activities, or if they are imposed to a security measure of prohibiting the job, business activity or duty;
- 3) It does not comply with regulations of this Act;
- 4) Infringes international sanctions;
- 5) Stops the business for which it has been entered into Register,
- 6) Submits the requests for erasing from Register.

2. Authorization (License)

Concept and content of authorization

Article 13

The authorization for foreign trade in controlled goods (hereinafter referred to as: authorization) is a written document of the Ministry, which approves an individual foreign trade transaction with a known quantity and type of controlled goods under the conditions regulated by a contract.

The authorization shall include:

- 1) Exporter or importer's name , address and registration number;
- 2) Name, description, tariff code, number from the national control lists and quantity of controlled goods;
- 3) Total value of controlled goods, subject to export or import;
- 4) Name and address of a manufacturer, i.e. owner and end- user of the controlled goods;
- 5) Manner of collection i.e. payment;
- 6) Authorization validity period,
- 7) Number, date of issuing, stamp and signature of an authorized person.

Authorization (License) application

Article 14

Authorization application shall be submitted to the Ministry and must include:

- 1) Importer or exporter's name , address and registration number;
- 2) Name, description, tariff code, number from the national control lists and quantity of controlled goods;
- 3) Purpose of controlled goods use;
- 4) Total value of controlled goods;
- 5) Data on other actors in the trade: manufacturer, seller, owner, buyer, freight forwarder, brokers and trade agents;
- 6) end user' name and address;
- 7) Manner of collection i.e. payment;
- 8) Proposed license validity period,
- 9) Other data needed for decision making.

In addition to the application referred to in paragraph 1 of this article, for export of controlled goods, applicant shall furnish a valid original end –user certificate (International export certificate), not older than six months and translation of the original certificate attested by a sworn-in court translator, as well as other documents necessary for deciding on application

Application form referred to in paragraph 1 of this article, as well as the content and form of other documents necessary for conducting foreign trade in controlled goods are prescribed by the Ministry.

Approval of the country of origin and end-user of goods

Article 15

In case of export of previously imported controlled goods, Ministry may request from the applicant to, in addition to the authorization application, furnish an approval on change of the end-user of goods, issued by the country from which the goods are imported.

International import certificate and End user statement

Article 16

A Certificate on end- user (International import certificate) for import of controlled goods shall be issued by the Ministry, at the request of an importer.

Statement of the end- user shall be issued by an end- user, and at their request may be certified by the Ministry.

Approval and position of the competent authorities

Article 17

Prior to the decision making on an authorization application, the Ministry shall acquire approval from the ministries in charge of foreign affairs, defense and internal affairs.

In case that, any of the ministries referred to in paragraph 1 of this article, do not give the approval, the Ministry shall not grant the authorization.

When applicable, depending on type and use of controlled goods, Ministry shall acquire position of other competent authorities as well.

Criteria

Article 18

Within its competencies, ministries referred to in article 17, paragraph 1 of this Act, while granting the approval for export in controlled goods, and the ministry while making decision on granting the authorization, shall respect the following criteria:

1) Respect of international obligations of Montenegro, especially embargos imposed by the Security Council of the United Nations, international Treaties on non-proliferation of weapons, as well as other international obligations;

2) Respect of human rights in the country of final destination;

3) Assessment of the internal situation, i.e. existence of tense situation or armed conflicts in the country of final destination;

4) Keeping the peace, security and stability in the region;

5) National security of Montenegro, as well as security of the countries Montenegro has partnership relations with;

6) Behavior of a buying country in relation to the community, especially its attitude toward terrorism, the nature of its alliances and respect of the international law;

7) Existence of risk that the goods, that are to be exported, shall be re-directed within a country of final destination or shall be re-exported under unfavorable conditions,

8) Compatibility of weapons export with the technical and economic capabilities of a receiving country, taking into consideration needs of the country to fulfill its legitimate security and defense tasks with the least possible reallocation of human and economic resources for purchasing weapons.

Assessment of criteria

Article 19

While assessing criteria referred to in article 18 of this Act, special attention shall be paid to:

- International obligations of Montenegro and its obligations to enforce embargo of the United Nations, Organization for security and cooperation in Europe and European Union;

- International obligations of Montenegro pursuant to the treaty on non-proliferation of nuclear weapons, Convention on biological and toxicological weapons and Convention on chemical weapons;

- Obligation of Montenegro not to export any kind of antipersonnel mines,

- Risks that indicated receiver shall use the goods for aggression against another country, or in sense of territorial claims.

When assessing the criteria referred to in paragraph 1 of this article, the following shall also be taken into consideration:

- Possibility of a clear risk that goods may be used for internal repression;
- Type of equipment, for the countries in which relevant bodies of the United Nations, Council of Europe or European Union have identified serious human rights violations;
- Existence or possibility of armed conflicts between the receiving country and another country;
- Claiming the right over the territory of a neighboring country, which a receiving country in the past tried to attain by using force or threatened to do that;
- Possibility that the goods may be used for the purposes which are not related to the legitimate national security and defense of the receiver country;
- Unfavorable influence to the regional stability;
- Potential impact of the goods on the defense and security interests of Montenegro, as well as interests of the countries Montenegro has partnership relations with, accepting that this factor cannot influence the application of the criteria on respect of human rights, protection of peace, security and stability in the region;
- Risk that subject of the export shall be used against Montenegro army, or against armed forces of the countries Montenegro has partnership relations with ;
- Risk of not intended technology export;
- Need to protect interests of Montenegro army;
- Legitimate defense and internal security interests of a receiving country, including possible involvement in peacekeeping activities of the United Nations or other peacekeeping activities;
- Technical capability of a receiving country to use the imported equipment;
- Capability of a receiving country to conduct effective export control;
- Behavior of the end- user country referring to terrorism and international organized crime;
- Fulfillment of the international obligations, particularly in relation to non -violence, including those obligations derived from international humanitarian law, applicable to international and internal conflicts;
- Support for non- proliferation and other areas of arms and disarmament control, especially the signing, ratification and implementation of the relevant conventions on arms and disarmament control,
- Risk that weapons shall be re-exported or re-directed to terrorist organizations.

Assessment of possible effects

Article 20

In addition to the criteria referred to in article 18 of this Act, the special attention shall be paid to the possible effects of export of controlled goods to:

- Economic, financial and commercial interests of Montenegro, including long-term interests, as well in establishing stable and democratic relations with trade partners;
- Relations of Montenegro with a country to which the export shall be conducted;
- Transformation and revival of industry,
- Overall economic development of Montenegro.

Deadline for submitting approval

Article 21

Ministries in charge of foreign affairs, defense and internal affairs are obliged to furnish their position related to an authorization application, within 30 days from the day of receiving the request for approval, i.e. within 60 days, should the additional checks be needed for a process of granting approval.

Granting authorization

Article 22

The Ministry shall decide on the authorization application within seven days from the day of receiving positions from the ministries referred to in article 21 of this Act, i.e. the latest within 90 days from the day of the duly submitted license application.

Refusal to grant an authorization

Article 23

The Ministry shall refuse to grant an authorization if:

- 1) An entity is not entered into Register;
- 2) It is established that the goods for which the authorization has been requested are subject to the court dispute;
- 3) An entity provides false data in the authorization application;
- 4) An entity fails to submit International export certificate, or has submitted a certificate older than six months, or certificate which is not translated by the sworn-in court translator;
- 5) An entity fails to submit an evidence that has paid an administrative fee,
- 6) The ministries referred to in article 17 paragraph 1 of this Act do not give the approval to the submitted request.

In case of refusing authorization application, Ministry shall inform an applicant on reasons due to which the authorization has not been granted, not revealing secret data or protected data, in accordance with the law.

Authorization validity period

Article 24

As a rule, authorization shall be granted for a period of one year.

If realization of the foreign trade transaction lasts longer than a year, the Ministry may extend the authorization validity period up to the date of finalizing the transaction, as foreseen in the contract, but not longer than three years.

Authorization and other documents granted in compliance with this Act can not be delegated to another person.

In case of acting in contradiction to the paragraph 3 of this article, an entity on whose behalf an authorization and other documents are granted, shall lose the rights provided by the granted authorization.

Annulment of authorization

Article 25

The Ministry shall annul an issued authorization if it is confirmed that:

- 1) The authorization has been issued based on false data or incorrect data, or the conditions for issuing authorization have considerably changed, since the issuing date;
- 2) An entity or foreign trade transaction threatened security and foreign policy interest of Montenegro,
- 3) An entity fails to comply with the conditions stated in an authorization.

In case of referred to in paragraph 1 of this article, Montenegro shall not be held responsible for the damages caused by annulment of the authorization.

Right to Administrative dispute

Article 26

An appeal is not permitted against the decisions of the Ministry referred to in article 11 paragraphs 4 and 7, article 12, article 22, article 23 and article 25 of this Act.

Against the decisions referred to in paragraph 1 of this article it is possible to start an administrative dispute.

Obligations of an entity conducting foreign trade in controlled goods

Article 27

An entity conducting foreign trade in controlled goods is obliged to:

- 1) keep special records on foreign trade in controlled goods and the documentation, at least for a period of 10 years from the completed foreign trade activity;
- 2) immediately, and the latest within 15 days, in writing, inform the Ministry on any changes occurred, related to a particular foreign trade transaction in controlled goods;
- 3) within 15 days, after completing a foreign trade transaction in controlled goods, in writing, inform the ministry on completed transaction and furnish relevant documentation related to it;

4) return obtained authorization to the Ministry if the authorization has not been realized, within 15 days the latest, from the day of authorization expiry date,

5) at the request of the Ministry, submits certificate issued by the final destination country or an end- user, which confirms reception of controlled goods.

Documentation referred to in paragraph 1 item 3 of this article shall include:

- information on completed foreign trade transaction in controlled goods;
- Copy of the authorization based on which the foreign trade transaction in controlled goods has been conducted;
- Certified copy of the single customs document,
- Other documents, depending on the type of goods.

Transport and transit of controlled goods

Article 28

Transport of controlled goods by land and water shall be authorized by the ministry in charge of internal affairs, based on the authorization granted by the Ministry in charge of a specific foreign trade activity in controlled goods.

Transport of controlled goods by air shall be authorized by the administration authority in charge of the civil aviation, based on the authorization granted by the Ministry in charge of specific foreign trade activity in controlled goods.

Transit of controlled goods by land and water shall be done based on the authorization of the ministry in charge of internal affairs.

Transit of controlled goods by air shall be based on the authorization granted by administration authority in charge of civil aviation issues.

The manner and procedure of granting authorization for transport and transit of controlled goods by land and water shall be more precisely regulated by a regulation of the Ministry in charge of internal affairs, while, transport and transit by air shall be specified by the regulation of the ministry in charge of traffic issues.

Reporting

Article 29

If the Ministry refuses to grant or if annuls the authorization, the Ministry in charge of foreign affairs shall in accordance with the international obligations of Montenegro, inform other countries thereof.

Before the Ministry grants an export authorization which has been denied by another country for an essentially identical transaction within previous three years, it will first consult the country which issued the denial(s).

If following consultations with the country referred to in paragraph 2 of this article, the Ministry nevertheless decides to grant an authorization, it shall inform that country, providing relevant information to explain the decision.

III RECORDS AND REPORTING

Records of the Ministry

Article 30

The Ministry shall keep the records on issued and annulled authorizations and refused and rejected applications for issuing licenses, in compliance with this Act.

Record of the Ministry in charge of foreign affairs

Article 31

In order to conduct control of export and import of controlled goods, Ministry in charge of foreign affairs shall update and publish a list of countries subject to an embargo imposed by Security Council of the United Nations, Organization for security and cooperation in Europe and the Commission of the European Union.

Reporting

Article 32

The Ministry is obliged to, up to April 30th of the current year, write and submit to the Government, an annual report on realization of foreign trade in controlled goods, for the previous year.

The Ministry is obliged to publish the report referred to in paragraph 1 of this article, on its web- page, excluding data considered as confidential and protected data, in accordance with the law.

IV OVERSIGHT

General provisions on oversight

Article 33

The Ministry conducts oversight of the implementation of this Act and regulations adopted based on this Act, in cooperation with the ministries in charge of defense, internal and foreign affairs, and whenever applicable, and depends on the type and use of controlled goods, with other relevant authorities.

Oversight referred to in paragraph 1 of this Article is conducted by the Ministry acting through an authorized officer, in accordance with the law.

Enabling the oversight

Article 34

An entity dealing with foreign trade in controlled goods has to enable the relevant authority referred to in article 33 of this Act to have an insight in order to conduct oversight in all stages of trade, transportation, transit and storage of controlled goods.

Prevention of disappearance and damages of goods

Article 35

An entity conducting foreign trade in controlled goods, or purchases and keeps the controlled goods, shall undertake all the necessary measures in order to prevent disappearance or damages of the goods.

In case of disappearance or damages of the controlled goods, an entity referred to in paragraph 1 of this article, shall inform the Ministry within 24 hours from the time of disappearance or damage of the goods occur.

Obligation of the Customs authority

Article 36

Customs authority may, within its competencies, restrict or stop foreign trade in controlled goods and seize the controlled goods, about what the Ministry is to be informed immediately.

The way of conduct of Customs authorities in implementing this Act, shall be stipulated by the Ministry competent for the financial issues.

V PENAL PROVISIONS

Violations

Article 37

A fine ranging from the amount of thirty to three hundred times of the amount of minimal salary in Montenegro shall be imposed on a legal entity and entrepreneur who conducts foreign trade of controlled goods if:

- fails to notify the Ministry on all the changes of data based on which it is entered into Register (Article 11 paragraph 5);
- authorization or other documents received based on this Act assigns to another person (article 24 paragraph 3);
- does not keep separate record on foreign trade in controlled goods and does not keep the documentation for at least ten years after completing a foreign trade business (article 27 paragraph 1 item 1);

- immediately, and 15 days the latest, does not inform the Ministry in writing on any changes appeared related to the particular business of foreign trade in controlled goods (article 27 paragraph 1 item 2);
- within 15 days after completing the business of foreign trade in controlled goods, in writing, fails to inform the Ministry on concluded business and fails to submit the documentation (article 27 paragraph 1 item 3);
- within 15 after the day of expiring the license validity date does not return unrealized license to the Ministry (article 27 paragraph 1 item 4);
- upon the request of the Ministry fails to submit the permit issued by the destination country or end user confirming reception of controlled goods (article 27 paragraph 1 item 5);
- fails to undertake all the necessary measures aiming at prevention of disappearance or damages of the controlled goods.(article 35 paragraph 1),
- in case of disappearance or damaging of controlled goods fails to inform the Ministry within 24 hours (article 35 paragraph 2).

For violations referred to in paragraph 1 of this article a natural person and responsible person in legal sense shall be fined with a fine ranging from five to twenty times of the amount of minimal salary in Montenegro.

VI INTERMEDIARY AND FINAL PROVISIONS

Regulations for enforcing the Act

Article 38

By-laws for the implementation of this Act shall be adopted within six months from the date this Act enters into force.

Initiated proceedings

Article 39

To the proceedings initiated prior to enforcement of this Act, the provisions of this Act will be applied, if the proceeding has not been finalized, provided that it is more favorable to the client.

Termination of the Act

Article 40

On the day this Act enters into force, the Law on foreign trade of weapons, military equipment and dual use goods („Official Gazette of Serbia and Montenegro“, Number 7/05) and the decree on appointing the authorities competent for implementation of the Law on foreign trade, weapons, military equipment and dual use items („Official Gazette of Republic of Montenegro“, number 5/07) shall expire.

Entry into force

Article 41

This Act shall enter into force on the eighth day following its publication in the "Official Gazette of Montenegro"; and shall apply from July 1st 2009.

SU-SK No 01-985/6

Podgorica, December 17th 2008.

Parliament of Montenegro
President,
Ranko Krivokapić, p.s.