

Pursuant to Article 88 Item 3 of the Constitution of Montenegro I hereby pass the

DECREE PROMULGATING THE LAW ON CLIMATE CHANGE

I hereby promulgate the **Law on Climate Change**, adopted by the 28th Parliament of Montenegro at the Fourth sitting of the Second regular (autumn) session in 2025, on 11 December 2025.

Number: 01-009/25-2398/2
Podgorica, 16 December 2025
The President of Montenegro
Jakov Milatović, m.p.

Pursuant to Article 82, paragraph 1, item 2 and Article 91, paragraph 1 of the Constitution of Montenegro, the 28th Parliament of Montenegro at the Fourth sitting of the Second regular (autumn) session in 2025, on 11 December 2025 adopted the

LAW ON CLIMATE CHANGE

(Official Gazette of Montenegro, No 149/2025 of 17 December 2025)

I BASIC PROVISIONS

Subject Article 1

This Law governs protection against the negative impacts of climate change, the reduction of greenhouse gas emissions, the protection of the ozone layer, and other issues related to climate change.

Principles of protection against climate change Article 2

Protection against the negative impacts of climate change shall be conducted by reducing greenhouse gas emissions to a scientifically determined necessary level and by undertaking appropriate adaptation measures, in a cost-effective and economically efficient manner, in accordance with this Law.

Protection of the ozone layer shall be conducted by undertaking preventive measures to control the emissions of substances depleting it, with the ultimate goal of their elimination, in accordance with scientific knowledge, technical and economic conditions, and development needs.

Mitigation of climate change, adaptation to climate change, and protection of the ozone layer, for the purpose of sustainable development, shall be based on the environmental protection principles, disaster risk reduction, as well as nature-based solutions, based on gender-responsible risk assessments, and the requirements of international law.

The measures undertaken in order of mitigate climate change, for adaptation to climate change and the protection of the ozone layer must not endanger the other segments of the environment.

Climate neutrality

Article 3

The long-term climate goal of Montenegro is to achieve climate neutrality by 2050, which seeks to achieve the long-term temperature goal established in Article 2, paragraph 1, point (a) of the Paris Agreement, and achieve a progress in reaching the global adaptation goal established in Article 7 of the Paris Agreement.

Greenhouse gas emissions and removal in Montenegro must be mutually balanced by no later than 2050, in order to reduce emissions to a net-zero level and thereafter with the aim to achieve negative emissions.

Montenegro shall undertake the necessary measures to enable the achievement of the climate neutrality goal, considering the importance of promoting fairness and solidarity, and cost-effectiveness in achieving this goal.

Public interest

Article 4

Protection from the negative impact of climate change and protection of the ozone layer is of public interest.

In order to achieve the public interest referred to in paragraph 1 of this Article, Montenegro and local self-government units shall adopt strategic and other documents, programmes, and plans to achieve the goals set out in this Law.

Use of gender sensitive language

Article 5

Terms used in this Law for natural persons in the masculine gender shall also imply the same terms in the feminine gender.

Meaning of terms

Article 6

The terms used in this Law shall have the following meaning:

- 1) **Accreditation** means attestation by a national accreditation body that a verifier meets the requirements set by harmonised norms and requirements set out in this Law to carry out the verification of reports on greenhouse gas emissions of a stationary installation operator, aircraft operator, regulated entity or shipping company in accordance with this Law;
- 2) **Shipping company** means a shipowner or any other organisation or person, such as the manager or the bareboat charterer, that has assumed responsibility for operation of the ship from the shipowner and that on assuming such responsibility has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention;
- 3) **Cruise passenger ship** means a passenger ship that has no cargo deck and is designed exclusively for commercial transportation of passengers in overnight accommodation on a sea voyage;
- 4) **Verifier** means a legal person conducting verification activities of greenhouse gas emissions reports, and is accredited by an accreditation body in Montenegro,

the European Union Member State, or a Contracting Party to the Energy Community;

5) **Verification** means the activities carried out by a verifier to issue a verification report in accordance with this Law;

6) **Verified report** means a greenhouse gas emissions report verified by an accredited verifier in accordance with this Law;

7) **Greenhouse gases** means gases and other gaseous constituents of the atmosphere, resulting from natural and anthropogenic activities, and so as follows: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs); that absorb and re-emit infrared radiation ;

8) **Geologic formation** means a lithostratigraphical subdivision within which distinct rock layers can be found and mapped ;

9) **Geological storage of carbon dioxide** represents the permanent storage of carbon dioxide in underground geological formations;

10) **Geological storage site** means a defined volume area within a geological formation used for geological storage of carbon dioxide, along with the associated surface installations, including installations for carbon dioxide injection;

11) **Supplier** means the manufacturer of passenger vehicles or its authorised representative with registered office in Montenegro, or the importer or a legal person placing a new passenger vehicle on the market for sale or lease for the first time, when the manufacturer or its representative does not have a registered office in Montenegro;

12) **Document of compliance** means a document specific to an individual ship, issued to the shipping company by a verifier, which confirms that the ship has complied with the requirements of this Law for a specific reporting period;

13) **Other relevant information** means information related to greenhouse gases emissions from the consumption of fuels, as well as to transport activity and to the energy efficiency of ships, which enables the analysis of emission trends and the assessment of performance of ships;

14) **Non-CO₂ aviation effects** means the effects on the climate of the release of oxides of nitrogen (NO_x), soot particles, oxidized sulphur, and water vapour, including also contrails from aircraft performing an aviation activity for which a carbon dioxide emissions monitoring plan is submitted;

15) **Greenhouse gas emissions** means the release of greenhouse gases from a source in an installation or the release from an aircraft performing an aviation activity, or release of gases from ships performing a maritime transport activity specified in respect of those activities, or the release of greenhouse gases from activities by regulated entities;

16) **Emission factor** means the average emission rate of a greenhouse gas relative to activity data of a source stream or fuel stream, assuming complete oxidation for combustion and complete conversion in all other chemical reactions;

17) **Emission allowance** means an allowance to emit one tonne of carbon dioxide equivalent (t CO₂ eq.), which is valid for a specified period and for the purpose of meeting the goals of this Law, and which can be transferrable in accordance with this Law;

18) **Continental shelf** means the area that comprises the seabed and its subsoil that extends beyond the territorial sea, throughout the entire natural prolongation of

the land area to the outer edge of the continental margin, or up to a distance of 200 nautical miles from the baseline from which the breadth of the territorial sea is measured, where the outer edge of the continental margin does not reach up to that distance;

- 19) **Indicator** means an indicator or variable that is expressed quantitatively or qualitatively to contribute to a better understanding of progress in the implementation of a policy or measure;
- 20) **Climate neutrality** means the balance between the emissions and removal of greenhouse gases, thereby reducing emissions to a net-zero level;
- 21) **Conservative assessment of annual greenhouse gases emissions** means an assessment in which certain assumptions are applied to ensure that there is no underestimation of the level of greenhouse gas emissions from existing sources;
- 22) **Disaster risk reduction concept** includes the comprehensive expert implementation of activities in analysing the emerging factors of disasters, proper land and environmental management, reducing exposure to hazards, as well as the vulnerability of people and property, and improving overall disaster preparedness;
- 23) **Storage complex** means a geological storage site, including the surrounding geological domain that can have an impact on overall integrity and safety of the storage, or secondary containment formations;
- 24) **Port of call** means the port where a vessel stops to load or unload cargo or to embark or disembark passengers, or the port where an offshore vessel stops to change its crew, excluding stops for the sole purpose of refuelling, obtaining supplies, crew changes for vessels other than offshore vessels, going into dry-dock, or making repairs to the vessel or its equipment, or both; stops in a port because the vessel is in need of assistance or is in distress; vessel-to-vessel transfers conducted outside the port; stops for the sole purpose of taking shelter from adverse weather conditions or rendered necessary by search and rescue activities; and stops by container vessels in neighbouring ports for container transhipment, as listed in the Commission Implementing Regulation (EU) 2025/1127 of 6 Jun 2025 laying down rules for the application of the Regulation (EU) 2023/1805 of the European Parliament and of the Council as regards of identifying neighbouring container transhipment ports;
- 25) **Nationally Determined Contribution** means the individually determined target of each party to the Paris Agreement for reducing the level of greenhouse gas emissions;
- 26) **Low-carbon development** means an economic model based on low energy consumption, low pollution, and low greenhouse gas emissions;
- 27) **New entrant** means any installation conducting an activity that results in greenhouse gas emissions, and which has obtained a greenhouse gas emission permit for the first time after the entry into force of this Law;
- 28) **Stationary installation operator** means a legal or natural person that manages a stationary installation, controls it, or is authorised to make decisions regarding the operation and functioning of the installation;
- 29) **Aircraft operator** means a legal or natural person who operates an aircraft during aviation activities, or the owner of the aircraft if the identity of the person is not known to the owner or if they do not specify it;
- 30) **Release for consumption** means: the release of excise goods, including irregular release, from a duty suspension system; the storage of excise goods,

including cases of irregularity outside a duty suspension arrangement where excise duty has not been collected pursuant to applicable regulations; the production, including processing, of excise goods, and irregular production or processing, outside a duty suspension arrangement; import of excise goods, unless the excise goods are immediately placed under a duty suspension arrangement upon import, or irregular entry of excise goods, unless the customs debt has been terminated in accordance with a law;

- 31) **Reporting period** means a calendar year during which emissions have to be monitored and reported;
- 32) **Monitoring plan** means a plan according to which the installation operator, regulated entity, aircraft operator, or a shipping company monitors greenhouse gas emissions released into the atmosphere from the installation, activities of the regulated entity, aviation activities, or a vessel;
- 33) **Individual stationary sources of carbon dioxide emission** means technological processes, industrial plants, equipment, and installations from which carbon dioxide is emitted into the air in an amount greater than 30 tonnes per year;
- 34) **Policies and measures** means all instruments that contribute to the achievement of the objectives of the integrated national energy and climate plans and/or to implement commitments under Article 4, paragraph 2, points (a) and (b) of the UNFCCC, which may also include those whose primary objective is not the limitation and reduction of greenhouse gas emissions or change in the energy system;
- 35) **Planned policies and measures** means options that are under discussion and that have a realistic chance of being adopted and implemented after the date of submission of the national energy and climate plan or of the national energy and climate progress report;
- 36) **Existing policies and measures** means implemented policies and measures and adopted policies and measures;
- 37) **Sink** means any process, activity or a mechanism by which greenhouse gases, aerosols, or precursors of greenhouse gases are removed from the atmosphere;
- 38) **Installation** means a stationary technical unit in which one or more activities are conducted, including any other directly associated activities which have a technical connection, which lead to the emission of greenhouse gases;
- 39) **Global-Warming Potential (GWP)** means the global-warming potential of greenhouse gases in relation to the corresponding potential of carbon dioxide, calculated as the global-warming potential of one kilogram of greenhouse gases over a period of 100 years relative to the corresponding global-warming potential of one kilogram of carbon dioxide;
- 40) **Transferred carbon dioxide** means carbon dioxide originating from fossil carbon in activities that emit greenhouse gases, which is not emitted from the installation but is instead transferred outside the installation to installations for the purpose of capture and long-term geological storage, or to a transport network for long-term geological storage;
- 41) **Adaptation to climate change** means a gender-responsive assessment of the adverse impacts of climate change and the undertaking of measures to strengthen the resilience of natural and human systems to climate change and to prevent or reduce potential damage that it may cause, as well as to take advantage of possible positive effects of climate change;

42) **Projections** means projections of anthropogenic emissions by sources and removals of greenhouse gases through sinks or through the development of the energy system, including at least quantitative estimates for the six nearest future years ending in 0 or 5 and immediately following the year being reported;

43) **Projections without measures** means data on anthropogenic greenhouse gas emissions and removals of greenhouse gases through sinks, calculated without considering the impact of measures that are planned, adopted, or implemented after the year that serves as the starting point of the projection;

44) **Projections with measures** means data on anthropogenic greenhouse gas emissions and removals of greenhouse gases through sinks, calculated considering the impact of policies and measures that have been adopted or implemented for the purpose of reducing emissions;

45) **Projections with additional measures** means data on anthropogenic greenhouse gas emissions and removals of greenhouse gases through sinks or through the development of the energy system, calculated taking into account the impact of policies and measures that have been adopted or implemented to reduce the negative impacts of climate change or to achieve energy-related objectives, and additionally taking into account measures whose implementation is planned for that purpose;

46) **Voyage** means any movement of a vessel originating from or terminating in a port of call;

47) **Regulated entity** means any legal or natural person, except for the final consumer of fuels, that releases fuel for combustion that is used in the sectors of buildings, road transport, energy industry, manufacturing industry, and construction, namely: if the fuel passes through an excise duty warehouse as defined by the Law on Excise Duties, the authorised holder of the excise duty warehouse, or any other person who is liable to pay the excise duty in relation to which the obligation for calculation has arisen, or any other person that the competent authority registers as an excise duty payer, including all persons exempt from excise duty payment or if several persons are jointly liable for the payment of the same excise duty, any other person designated by the competent authority;

48) **Nature based solutions** means actions aimed at the protection, sustainable management, and restoration of natural or modified ecosystems that respond in an effective and adaptive manner to societal challenges, while simultaneously providing benefits for human well-being and biodiversity;

49) **Combustion** means any oxidation of fuel, regardless of how the produced thermal, electrical, or mechanical energy is used, as well as all other directly related activities, including the treatment of exhaust gases;

50) **Inventory system** means the set of institutional, legal, and procedural mechanisms established in a country for the assessment of anthropogenic emissions by sources and the removals of greenhouse gases by sinks, as well as for reporting and archiving of inventory information;

51) **Tonne of carbon dioxide equivalent emission** means one metric tonne of carbon dioxide or the amount of any greenhouse gas with an equivalent global-warming potential;

52) **Carbon dioxide transport network** means a network of pipelines, including associated booster stations for the transport of carbon dioxide to the geological storage site;

53) **Emission trading** means an instrument that enables the allocation of emission allowances and their exchange between stationary installation operators, aircraft operators, regulated entities, and shipping companies;

54) **Mitigation of climate change** means the reduction of the impact of climate change by preventing or reducing the emission of greenhouse gases into the atmosphere, reducing the sources of these gases (by increasing the share of renewable energy sources, establishing a cleaner transportation system, or increasing the storage of these gases, and other);

55) **Removal by sinks** means the natural or anthropogenic removal of greenhouse gases from the atmosphere by sinks;

56) **Scope factor** means the factor between zero and one that is used to determine the share of a fuel stream that is used for combustion in sectors of buildings, road transport and additional sectors.

II STRATEGIC DOCUMENTS IN THE FIELD OF CLIMATE CHANGE

Documents

Article 7

Strategic documents for protection against negative impacts of climate change are:

- 1) Low-carbon Development Strategy of Montenegro; and
- 2) Montenegro Strategy on Adaptation to Climate Change.

Low-carbon Development Strategy

Article 8

In order to determine strategic directions of action and public policies related to limiting the greenhouse gas emissions set by the projected nationally determined contributions, the reduction of anthropogenic greenhouse gas emissions, and the increase in their removal by sinks, the achievement of the Paris Agreement objectives, as well as transparent and accurate monitoring of reaching the emission reduction limits, the Low Carbon Development Strategy shall be adopted with the aim of achieving climate neutrality by 2050.

The Low Carbon Development Strategy shall be prepared by the state administration authority responsible for environmental matters (hereinafter referred to as: the Ministry) in co-operation with other state administration authorities, local administration authorities, and other legal persons with public authorisations, particularly those responsible for energy, transportation, agriculture, health, waste management, forestry, industry, infrastructure, construction, statistics, spatial planning, and tourism affairs.

A strategic environmental impact assessment shall be conducted in accordance with the law governing the strategic environmental impact assessment during the preparation of the Low Carbon Development Strategy.

The Low Carbon Development Strategy shall be adopted by the Government of Montenegro (hereinafter referred to as: the Government) with the perspective for next 30 years.

The Ministry shall submit without delay the Low Carbon Development Strategy to the Secretariat of the Energy Community.

The Low Carbon Development Strategy shall be adopted every 10 years and shall be revised as needed every five years.

Content of the Strategy

Article 9

The Low Carbon Development Strategy shall contain:

- 1) analysis of the socio-economic situation that affects the level of greenhouse gas emissions and removal by sinks;
- 2) economic analysis of possible paths for low-carbon development;
- 3) proposal of gender-responsive policies and measures needed to achieve possible paths for protecting against the negative impacts of climate change;
- 4) forecast of the reduction in greenhouse gas emissions from sources by 2050, including the reduction target by 2030 and thereafter, if applicable, by 2040 and 2050;
- 5) overall targets for increasing the removal of greenhouse gas emissions by sinks;
- 6) overview of adaptation policies and measures;
- 7) individual gender-responsive targets for emission reductions and removals of emissions by sinks by sectors, including energy, industry, transport, buildings, central heating and cooling, agriculture, waste, forestry, land use, and land-use change;
- 8) assessments of expected progress in transitioning to a low-carbon economy, including greenhouse gas intensity, carbon intensity of gross domestic product, related long-term investments, and strategies related to development, research, and innovation;
- 9) gender-responsive assessments of the expected socio-economic impacts of decarbonisation measures, including macroeconomic aspects, risks, and benefits in terms of human health and environmental protection;
- 10) financing with a gender-responsive assessment of necessary investments and policies and measures for research, development, and innovation;
- 11) connection with other long-term strategies, plans, and policies at the national level and investments;
- 12) indicators for monitoring the implementation of the Low Carbon Development Strategy, including gender-responsive indicators;
- 13) Action plan for implementation of the Low Carbon Development Strategy;
- 14) other data.

The Low Carbon Development Strategy shall include projections of greenhouse gas emissions levels, which contain: existing data on emissions, projections without measures, projections with measures, projections with additional measures, and the methodology for their development.

Projections of greenhouse gas emissions levels shall be developed separately for the sectors of energy, transport, industrial processes and product use, agriculture, forestry and land use, and waste management.

Action plan for implementation of the Low Carbon Development Strategy

Article 10

The Low Carbon Development Strategy shall be implemented based on the Action Plan for the Implementation of the Strategy (hereinafter referred to as: the Action Plan).

The Action Plan shall be adopted by the Government for a period of five years upon a proposal of the Ministry.

The Action Plan shall contain:

- measures and activities that need to be implemented to achieve the objectives of the Low Carbon Development Strategy;
- deadlines and entities responsible for implementation;
- indicators for monitoring the achievement of the objectives of the Low Carbon Development Strategy, including gender-responsive indicators;
- assessment and sources of funds required for implementation;
- other data of significance for implementation of the Low Carbon Development Strategy.

The Ministry shall oversee the implementation of measures outlined in the Low Carbon Development Strategy and the Action Plan and shall prepare a Report on the implementation of the Low Carbon Development Strategy and Action Plan every two years, which is submitted to the Government for adoption.

Strategy on Adaptation to Climate Change

Article 11

In order to identify the impacts of climate change on the environment, economy, and society, and to determine adaptation measures for changed climate conditions (hereinafter referred to as: the adaptation measures), including gender-responsive measures for sectors where it is necessary to reduce negative consequences, the Ministry shall prepare the Strategy on Adaptation to Climate Change with an Action Plan (hereinafter referred to as: the Adaptation Strategy).

The Adaptation Strategy shall be developed on the basis of the analysis of climate change and vulnerabilities, assessment and progress indicators, and in accordance with the best available and most recent scientific evidence.

The Adaptation Strategy shall be developed in co-operation with state administration authorities, local administration authorities, and other legal persons with public authorisations, particularly those responsible for protection and rescue or disaster risk reduction, agriculture, forestry, water management, energy, industry, transport, health, construction, infrastructure, hydrometeorology, gender equality, spatial planning, marine and coastal areas, and tourism.

A strategic environmental impact assessment shall be conducted in accordance with the law governing the strategic environmental impact assessment during the preparation of the Adaptation Strategy.

The Government shall adopt the Adaptation Strategy for a period of ten years.

The Ministry shall monitor the implementation of adaptation measures and shall prepare a report on implementation of the Adaptation Strategy every two years, which shall be submitted to the Government for adoption.

The Adaptation Strategy may be revised as needed.

The Ministry shall prescribe the manner and methodology of revision of the Adaptation Strategy.

Contents of the Adaptation Strategy

Article 12

The Adaptation Strategy shall contain:

- 1) description of the current situation resulting from climate change;
- 2) identification of vulnerable sectors;
- 3) analysis of the socio-economic situation affecting climate change, considering the gender aspect;

- 4) analysis of observed climate changes and extreme climate events;
- 5) analysis of vulnerabilities and assessment of climate change risks, including the gender aspect;
- 6) analysis of ecological, economic, and social drivers and impacts of climate change, including gender-specific aspects;
- 7) main objectives of adaptation to climate change, including the desired outcomes for society, the economy, the environment, and biodiversity;
- 8) description of the institutional framework for adaptation to climate change;
- 9) overview of existing plans and strategic documents in the field of adaptation to climate change, with an assessment of progress in implementation and examples of good practices, particularly considering nature-based solutions;
- 10) assessment of the capacity for adaptation to climate change;
- 11) measures for adaptation to climate change, prioritising natural and hybrid solutions;
- 12) measures that will be prioritised for implementation, with the entities responsible for their execution;
- 13) description of mechanisms, frameworks and indicators for monitoring and evaluation of implementation of the Adaptation Strategy;
- 14) estimate of financial resources for implementation of measures;
- 15) other data.

Implementation of the Adaptation Strategy

Article 13

Adaptation measures shall be implemented by state administration authorities, local administration authorities, and other legal persons with public authorisations, responsible for nature protection, protection and rescue/disaster risk reduction, agriculture, fisheries, forestry, water management, energy, industry, transportation, infrastructure, hydrometeorology, health, spatial planning, the sea and coastal areas, and tourism.

The authorities referred to in paragraph 1 of this Article shall be obliged to submit once a year a report to the Ministry on the measures implemented according to strategic documents, aimed at preventing the negative impacts of climate change, as well as data on floods, droughts, extreme precipitations, extreme temperatures, and other.

III ACHIEVING LOW-CARBON DEVELOPMENT

Reducing greenhouse gas emissions

Article 14

Reducing greenhouse gas emissions shall be ensured through the implementation of the Low Carbon Development Strategy, the Action Plan for the Implementation of the Low Carbon Development Strategy, the National Energy and Climate Plan, the Nationally Determined Contribution, development documents in specific sectors, gradual limitation of emission allowances within the emissions trading system, measures in sectors outside the emissions trading system, measures in the land use, land-use change, and forestry sector, and other measures that contribute to climate change mitigation.

Obligations of operators of stationary installations

Article 15

The operator of a stationary installation that conducts activities or operations that lead to the emission of greenhouse gases shall be obliged to obtain a greenhouse gas emissions permit (hereinafter referred to as: the Permit) before the start of operations of the installation.

The operator referred to in paragraph 1 of this Article shall be obliged to surrender an emissions allowance for each unit of carbon dioxide equivalent emission that it generates, in accordance with the verified report.

The activities referred to in paragraph 1 of this Article shall also include trial operations in accordance with the law governing the construction of structures.

Notwithstanding paragraph 1 of this Article, a permit shall not be issued for installations or parts of installations used for research, development, and testing of new products and processes, as well as for installations with emissions from biomass combustion that contribute on average with more than 95% of the total greenhouse gas emissions.

The Permit shall be issued by the administration authority responsible for environmental protection (hereinafter referred to as: the Administration Authority) for a period of ten years.

The activities or the operations referred to in paragraph 1 of this Article, as well as the gases for whose emission a permit is issued, shall be prescribed by the Government.

The application for issuing of the Permit

Article 16

The Permit shall be issued based on the application submitted by the operator of the stationary installation.

If the stationary installation performs an activity for which an integrated permit is issued in accordance with the law governing the prevention and control of emissions from industrial installations, the conditions and procedure for issuing the Permit referred to in paragraph 1 of this Article must be aligned with the conditions and procedure for issuing the integrated permit.

The application referred to in paragraph 1 of this Article shall contain:

- 1) the name and registered office of the stationary installation operator;
- 2) description of the installation and the activity or the operation which is performed by the installation;
- 3) location of the installation;
- 4) the description of the technology used in the installation;
- 5) the data on raw materials and ancillary materials the use of which leads to emissions of greenhouse gases;
- 6) the data on the type and sources of greenhouse gas emissions;
- 7) planned measures for monitoring and reporting greenhouse gas emissions;
- 8) non-technical summary.

The application referred to in paragraph 1 of this Article shall be submitted in both written and electronic form.

The application for issuing a Permit for new installations shall be submitted before the commencement of trial operations.

The operator of the stationary installation shall be obliged to submit, along with the application referred to in paragraph 1 of this Article, a monitoring plan for greenhouse

gas emissions from the installation (hereinafter referred to as: the Installation Emissions Monitoring Plan) in two copies.

Considering of the Application for issuing the Permit

Article 17

The Administration Authority shall review the application for the issuing the Permit within 15 days from the submission and if it finds that it does not contain the data prescribed in Article 16 of this Law, it will request the applicant to supplement the documentation within 15 days from the day of delivery of the application to the Administration Authority.

During the assessment of the Installation Emissions Monitoring Plan, the Administration Authority, in addition to verifying the formal correctness of the content of the plan, shall specifically assess the adequacy of the procedures, processes, and methodologies for monitoring greenhouse gas emissions from stationary installations, and if it finds that additional information need to be submitted or deficiencies need to be addressed, it will request from the applicant for the issuance of the permit to submit additional information or solve the deficiencies within 15 days from the notification being delivered.

If the applicant fails to comply with the request of the Administration Authority referred to in paragraphs 1 and 2 of this Article, the Administration Authority will reject such application.

If the Administration Authority rejects the application for the issuance of a Permit, the installation cannot conduct the activity.

Issuing of the Permit

Article 18

The Administration Authority shall issue the Permit within 60 days from the date of receipt of the properly submitted application for the issuance of the Permit.

The Permit shall contain:

- 1) the name and registered office of the operator of the stationary installation, as well as the site of the installation;
- 2) description of the activities or operations of the installation and the emissions of greenhouse gases;
- 3) the obligation of monitoring greenhouse gas emissions from the installation, in accordance with the Monitoring Plan;
- 4) requirements regarding reporting on greenhouse gas emissions;
- 5) the obligation to surrender the quantity of emission allowances, by 30th September of each year, in an amount corresponding to the total emissions of gases from the installation from the previous calendar year, verified in accordance with Article 33 of this Law.

The Installation Emissions Monitoring Plan shall be an integral part of the Permit.

The Permit shall be issued for an installation, part of an installation, or multiple installations, provided they are located at the same site and are operated by the same installation operator.

The decision on issuing the Permit, or on rejecting the application for issuing the Permit, shall be delivered to the operator of the stationary installation within eight days from the date of its adoption.

A complaint against the decision referred to in paragraph 5 of this Article may be lodged with the Ministry within eight days from delivery of the decision.

The Administration Authority shall maintain records on issued Permits.

The Ministry shall prescribe the template of the Permit and the manner of maintaining of the records referred to in paragraph 7 of this Article.

Amendments to the Permit

Article 19

The operator of the stationary installation shall be obliged to notify the Administration Authority of planned changes related to the installation within 60 days before the change occurs referring to:

- technical-technologic characteristics of the installation;
- increasing or reducing of capacities;
- types of fuel, raw materials or ancillary materials which are used in the installation;
- thermal input power;
- name and registered office of the stationary installation operator.

In the cases referred to in paragraph 1 of this Article, the stationary installation operator shall be obliged to submit an Installation Emissions monitoring plan revised in accordance with the planned changes.

The Administration Authority shall amend the Permit, where appropriate, upon receiving the notification referred to in paragraph 1 of this Article and the submission of the Installation Emissions Monitoring Plan.

Revoking the Permit

Article 20

The Permit shall be revoked in the following cases:

- 1) termination of activities at the stationary installation in accordance with the issued Permit;
- 2) that operation of the stationary installation is not possible due to technical reasons;
- 3) the stationary installation does not operate, and is not possible to restart its operation;
- 4) that no activity is being conducted at the stationary installation and the installation operator cannot guarantee that the installation will resume operations within six months from the termination of work, or within 18 months in the event of termination of work caused by unforeseen circumstances beyond the operator's control;
- 5) if, as a result of modernisation at the stationary installation, the characteristics of the installation are modified compared to the characteristics contained in the Permit application referred to in Article 16 of this Law;
- 6) the activity is conducted contrary to the issued Permit.

The operator of the stationary installation shall be obliged to notify the Administration Authority within eight days from the date of the planned termination of activities at the installation.

A bankruptcy administrator shall submit the notice of termination of activities at the stationary installation under bankruptcy proceedings.

The operator of the stationary installation shall be obliged to notify the Administration Authority by 31st December of each year in the event of a partial termination of operations at the installation.

The provision referred to in paragraph 1, item 4 of this Article shall not apply to installations in reserve or standby mode, or to installations that operate seasonally, provided that:

- 1) the installation operator holds the Permit referred to in Article 18 of this Law, as well as a single (integrated) permit if required for that installation;
- 2) it is technically possible to resume the activities of the installation without any physical modifications to the installation;
- 3) the installation is maintained on a regular basis.

A complaint against the decision referred to in paragraph 1 of this Article may be lodged with the Ministry within eight days from the date of delivery of the decision.

Permit for greenhouse gas emissions in sectors of buildings, road transport, and additional sectors

Article 21

A legal and natural person, except for the final consumer of fuels, that releases fuel for consumption that is used in buildings, road transport, energy industry, manufacturing industry, and construction sectors (hereinafter referred to as the Regulated Entity) shall be obliged to obtain a greenhouse gas emissions permit (hereinafter referred to as the Permit) prior to the commencement of operations.

The Administration Authority shall issue the Permit for a period of ten years.

The Permit shall be issued based on the application submitted by the Regulated Entity.

The application for issuing the Permit shall contain:

- 1) description of the Regulated Entity;
- 2) description of the type of fuel released for consumption and used for combustion, as well as the means through which the fuel is released for consumption;
- 3) the end use of fuels released for consumption for the activity;
- 4) the measures planned to monitor and report emissions;
- 5) a non-technical summary.

The Administration Authority shall issue a Permit to the Regulated Entity referred to in paragraph 1 of this Article if it deems that the Regulated Entity is capable of monitoring greenhouse gas emissions corresponding to the quantities of fuel released for consumption and reporting thereof.

The Permit referred to in paragraph 1 of this Article shall contain:

- 1) the name and address of the Regulated Entity;
- 2) a description of the means by which the Regulated Entity releases the fuels for consumption;
- 3) a list of the fuels the Regulated Entity releases for consumption in sectors covered by this chapter;
- 4) a monitoring plan of greenhouse gas emissions;
- 5) requirements for reporting on greenhouse gas emissions.

The Administration Authority shall issue the Permit within 60 days from the date of receipt of the properly submitted application for the issuance of the Permit.

The Administration Authority may allow the Regulated Entity to update the monitoring plan without changing the Permit.

The Regulated Entity shall be obliged to submit any updated plans for monitoring greenhouse gas emissions to the Administration Authority for approval.

The Regulated Entity shall be obliged to notify the Administration Authority of any planned changes to the nature of its activities or the fuel it releases for consumption, which may require an amendment to the Permit, no later than 31st December of the current year.

The Administration Authority shall update the Permit as appropriate.

Where there is a change in the Regulated Entity, the Administration Authority shall update the Permit and record the name and address of the new Regulated Entity.

The Administration Authority shall maintain records on issued permits.

Provisions of Articles 16 to 20 of this Law shall apply to the procedure for issuing, amending, and revoking the Permit.

The Government shall prescribe activities or operations in sectors referred to in paragraph 1 of this Article, as well as the greenhouse gases for which an emission Permit is issued.

The Ministry shall prescribe the template of the Permit and the manner of keeping records referred to in paragraph 13 of this Article.

Obligations of the aircraft operator

Article 22

The aircraft operator carrying out activities or economic activities that result in greenhouse gas emissions shall be obliged to prepare and submit to the Administration Authority a greenhouse gas emissions monitoring plan for aircraft (hereinafter referred to as: the Aircraft Emissions Monitoring Plan) for approval at the latest four months before an aircraft operator commences aviation activities, and after obtaining the operating license in accordance with the law governing air traffic.

The aircraft operator referred to in paragraph 1 of this Article shall be obliged to surrender an emission allowance for each unit of carbon dioxide equivalent emissions generated in accordance with the verified report.

Aviation Activities

Article 23

The aviation activities or economic activities to which apply the obligations referred to in Article 22, paragraphs 1 and 2 of this Law shall include:

- 1) flights which arrive in or depart from an aerodrome situated in the territory of Montenegro;
- 2) flights between aerodromes that are located in two different States that are listed in the Commission Implementing Regulation (EU) 2024/622 of 22 February 2024 on the lists of States which are considered to be applying CORSIA for the purposes of Directive 2003/87/EC of the European Parliament and of the Council for emissions in 2023 and flights between Switzerland or the United Kingdom and States that are listed in the Commission Implementing Regulation (EU) 2024/622, and any other flight between aerodromes that are located in two different third countries by aircraft operators that fulfil all of the following conditions:
 - a) the aircraft operators hold an air operator certificate issued by a Member State or are registered in a Member State, including in the outermost regions, dependencies and territories of that Member State; and
 - b) from 1 January 2021 they produce annual carbon dioxide emissions greater than 10,000 tonnes from the use of aeroplanes with a maximum certified take-off mass greater than 5,700 kg conducting flights covered by this

Article, other than those departing or arriving in the same Member State, including outermost regions of that Member State.

Notwithstanding item 2, paragraph 1 of this Article emissions from the following types of flights shall not be taken into account:

- a) State flights;
- b) Humanitarian flights;
- c) Medical flights;
- d) Military flights;
- e) Fire-fighting flights;
- f) flights preceding or following a humanitarian, medical or fire-fighting flight, provided that such flights were conducted with the same aircraft and were required to accomplish the related humanitarian, medical or fire-fighting activities or to reposition the aircraft after those activities for its next activity

The aviation activities or economic activities shall not include:

- 1) flights performed exclusively for the transport, on official mission, of a reigning Monarch and his immediate family, Heads of State, Heads of Government and Government Ministers, of a country other than a Member State, where this is substantiated by an appropriate status indicator in the flight plan;
- 2) military flights performed by military aircrafts, as well as flight performed independently by the customs authority and police authority;
- 3) flights related to search and rescue, fire-fighting flights, humanitarian flights and emergency medical service flights;
- 4) flights performed exclusively under visual flight rules as defined in Annex 2 to the Chicago Convention on civil aviation;
- 5) flights terminating at the aerodrome from which the aircraft has taken off and during which no intermediate landing has been made;
- 6) training flights performed exclusively for the purpose of obtaining a licence, or a rating in the case of cockpit flight crew where this is substantiated by an appropriate remark in the flight plan, provided that the flight does not serve for the transport of passengers or cargo, and for the positioning or ferrying of the aircraft;
- 7) flights performed exclusively for the purpose of scientific research or for the purpose of checking, testing or certifying aircraft or equipment whether airborne or ground-based;
- 8) flights performed by aircraft with a certified maximum take-off mass of less than 5,700 kg;
- 9) flights performed in the framework of public service obligations imposed in accordance with Regulation governing routes within outermost regions, as specified in Article 299, paragraph (2) of the Treaty on the Functioning of the European Union, or on routes where the capacity offered does not exceed 50,000 seats per year;
- 10) flights which, but for this point, would fall within aviation activity, performed by a commercial air transport operator where either one of the conditions is met:
 - a) operating fewer than 243 flights per period for three consecutive four-month periods, or
 - b) operating flights with total annual emissions lower than 10,000 tonnes per year.

Flights performed exclusively for the transport, on official mission, of reigning Monarchs and their immediate family, Heads of State, Heads of Government and Government Ministers, of a Member State may not be excluded under this point;

11) Until 31 December 2030, flights performed by a non-commercial aircraft operator operating flights with total annual emissions lower than 1,000 tonnes per year.

Plan for Monitoring Greenhouse Gas Emissions

Article 24

The operator of the stationary installation, the Regulated Entity, and the aircraft operator shall be obliged to monitor greenhouse gas emissions in accordance with the approved Plan for monitoring greenhouse gas emissions.

The Regulated Entity shall be obliged, no later than four months before commencing the activity, to submit a plan for monitoring greenhouse gas emissions to the Administration Authority for approval.

The Administration Authority may extend the deadline referred to in paragraph 2 of this Article, at the request of the Regulated Entity, if it assess that there are justified reasons to do so.

The monitoring of greenhouse gas emissions referred to in paragraph 1 of this Article shall be conducted based on calculations or based on measurements.

Exceptionally, the aircraft operator shall determine the annual carbon dioxide emissions from aviation activities by multiplying the annual consumption of each type of pure fuel (expressed in tonnes) by the corresponding emission factor.

The stationary installation operator and the Regulated Entity shall be obliged to improve the methodology for monitoring of greenhouse gas emissions and to make changes to the plan for monitoring greenhouse gas emissions accordingly.

The Administration Authority may approve a change for the monitoring methodology, if the stationary installation operator, the aircraft operator or the Regulated Entity proves that the application of the specific monitoring methodology is technically not feasible or causes unreasonably high costs.

The Ministry shall stipulate the criteria based on which the Administration Authority assesses technical feasibility and unreasonably high costs of the change stipulated by the monitoring methodology.

The plan for monitoring greenhouse gas emissions shall be submitted in both written and electronic form.

The form and content of the plan for monitoring greenhouse gas emissions, modifications of the plan for greenhouse gas emissions, procedures, processes, and methodology for monitoring greenhouse gas emissions from stationary installations and for the regulated entities shall be prescribed by the Ministry.

The template and content of the aircraft emissions monitoring plan, modifications to the plan, procedures, processes, required data, methodology for monitoring greenhouse gas emissions from aircrafts, as well as for monitoring the non-CO₂ aviation emissions effects, shall be prescribed by the Ministry, with the prior opinion of the state administration authority responsible for air traffic.

Modifications of the plan for monitoring greenhouse gas emissions

Article 25

The operator of the stationary installation, the regulated entity, or the aircraft operator, shall be obliged to check regularly whether the plan for monitoring

greenhouse gas emissions reflects the nature and operation of the installation, the activities of the aircraft, or the activities of the regulated entity, as well as whether the emissions monitoring methodology can be improved, and to modify the monitoring plan accordingly.

The operator of the stationary installation, the regulated entity, or the aircraft operator shall be obliged to notify without delay the Administration Authority of proposals for modifications to the plan for monitoring greenhouse gas emissions.

If the Administration Authority determines that the proposed modifications to the plan for monitoring greenhouse gas emissions are not significant in a specific case, it shall inform the operator of the stationary installation, the regulated entity, or the aircraft operator that it is obliged to submit the modified monitoring plan along with the supporting documentation by 31st December of the current year.

If it determines that the proposed modifications to the plan for monitoring greenhouse gas emissions are significant, the Administration Authority shall inform the operator of the stationary installation, the regulated entity, or the aircraft operator that it is obliged to submit immediately the modified monitoring plan along with the supporting documentation for approval.

From the day of submitting the request for the modification of the plan for monitoring greenhouse gas emissions until the day of receiving approval from the Administration Authority, the operator of the stationary installation, the regulated entity, or the aircraft operator shall conduct monitoring and reporting using both the original and modified monitoring plans concurrently.

After receiving the approval, the operator of the stationary installation, the regulated entity, or the aircraft operator shall use only the data related to the modified plan for monitoring greenhouse gas emissions and carry out all monitoring and reporting using only the modified monitoring plan from the date on which that version of the monitoring plan becomes applicable.

The operator of the stationary installation, the regulated entity, or the aircraft operator shall be obliged to keep records of all modifications to the plan for monitoring greenhouse gas emissions.

Provisions of Articles 17 and 26 of this Law shall apply to the procedure for the approval of the modified plan for monitoring greenhouse gas emissions.

The Ministry shall prescribe the reasons for modification the plan for monitoring greenhouse gas emissions, significant modifications to the monitoring plan, as well as the content of the record of modifications to the monitoring plan.

Assessment of the Aircraft Emissions Monitoring Plan

Article 26

The Administration Authority shall submit the aircraft emissions monitoring plan to the Civil Aviation Agency for an opinion.

The opinion referred to in paragraph 1 of this Article shall be provided by the Civil Aviation Agency to the Administration Authority within 30 days from the date of receipt of the Aircraft Emissions Monitoring Plan.

In the process of providing an opinion, the Civil Aviation Agency shall evaluate the adequacy of procedures, processes, and methodologies for monitoring greenhouse gas emissions from aircraft, and if it determines that additional information is needed or deficiencies must be corrected, it will request the aircraft operator to submit the additional information within 15 days of the date of the request of the Civil Aviation Agency.

If the aircraft operator does not comply with the request of the Civil Aviation Agency and fails to correct the deficiencies, the Agency shall issue a negative opinion.

The Administration Authority shall approve the aircraft emissions monitoring plan by way of a decision within 15 days from the date of receipt of a positive opinion of the Civil Aviation Agency.

The aircraft operator shall be obliged to improve the methodology for monitoring greenhouse gas emissions and to make modifications to the aircraft emissions monitoring plan accordingly.

Carbon Dioxide Emissions Reduction and Offsetting from Aircrafts Scheme

Article 27

The aircraft operator shall prepare and submit for approval to the Civil Aviation Agency a plan for monitoring carbon dioxide emission from aircraft and report on carbon dioxide emissions from aircrafts for the purposes of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) in accordance with the ICAO Annex 16, Volume IV.

Installations, Regulated Entities, and aircrafts with low emissions

Article 28

The operator of a stationary installation managing a low-emission installation, or the aircraft operator may submit a request to the Administration Authority for approval to use a simplified plan for monitoring greenhouse gas emissions.

A low-emission installation, within the meaning of paragraph 1 of this Article, shall be considered an installation that meets one of the following requirements:

- 1) the average annual emissions of that installation from previous verified emissions reports, excluding carbon dioxide originating from biomass and before subtracting transferred carbon dioxide, are less than 25,000 tonnes of CO₂(e) per year;
- 2) the average annual emissions are unavailable or no longer applicable due to changes in the installation boundaries or operating conditions, but the average annual emissions of that installation over the next five years, excluding carbon dioxide originating from biomass and before subtracting the transferred carbon dioxide, will amount to less than 25,000 tonnes of CO₂(e) per year, based on a conservative assessment method.

The aircraft operator that performs fewer than 243 flights over a period of three consecutive four-month periods and the aircraft operator that conducts flights with total annual emissions of less than 25,000 tonnes of carbon dioxide per year shall be considered a small polluter.

The regulated entity with low emissions shall be deemed to be a regulated entity that meets one of the following conditions:

- 1) from 2027 to 2030 the average verified annual emissions in the two years preceding the reporting period before applying the scope factor, with the exclusion of CO₂ stemming from zero rate fuels, are less than 1,000 tonnes of CO₂ annually;
- 2) from 2031 onwards the average annual emissions of the regulated entity from the verified reports on emissions in the trading period immediately preceding the current trading period, calculated before applying the scope factor and with the exclusion of CO₂ stemming from zero rate fuels, are less than 1,000 tonnes of CO₂ annually;

- 3) where the average annual emissions referred to in point 1 of this paragraph are not available or no longer representative for the purpose of point 1, but the annual emissions of that regulated entity for the next five years, calculated before applying the scope factor and with the exclusion of CO₂ stemming from zero rate fuels, based on a conservative estimate, will be less than 1,000 tonnes of CO₂(e) annually.

An installation that performs prescribed activities involving nitrogen oxides shall not be considered a low-emission installation.

If a low-emission installation, subject to simplified monitoring, exceeds the threshold referred to in paragraph 2 of this Article during any calendar year, the operator of a stationary installation shall be obliged to inform thereof the Administration Authority immediately.

The operator of the stationary installation shall immediately submit a significant modification of the plan for monitoring greenhouse gas emissions to the Administration Authority for approval.

The Administration Authority shall conduct a simplified risk assessment to determine whether the proposed monitoring activities and procedures for monitoring activities are proportionate to the identified inherent risks and monitoring risks before approving any simplified plan for monitoring greenhouse gas emissions referred to paragraph 1 of this Article and shall provide the reasons justifying the use of such a simplified monitoring plan.

The Administration Authority may require the operator of the stationary installation to conduct a risk assessment in accordance with paragraph 6 of this Article, if necessary.

The Ministry shall prescribe the content of the simplified plan for monitoring greenhouse gas emissions, as well as the conditions, activities, procedures, control methods, and the required documentation to be submitted for the use of the simplified monitoring plan.

Obligations of shipping companies **Article 29**

The shipping company shall be obliged to prepare for each of its vessels a monitoring plan for greenhouse gas emissions (hereinafter referred to as the Monitoring Plan for Emissions from Vessels) and other relevant information, and to report on them in order to encourage the reduction of greenhouse gas emissions from maritime transport in a cost-efficient manner.

The shipping company shall monitor and report on relevant parameters for each of its vessels during the reporting period and apply this in all ports under the jurisdiction of Montenegro and for all voyages to or from ports of call under the jurisdiction of Montenegro, as well as between the ports of call under the jurisdiction of Montenegro.

Monitoring and reporting must be complete and cover greenhouse gas emissions from the combustion of fuels while the vessels are at sea and within a port.

The obligation to monitor and report on greenhouse gas emissions shall apply to the following ships:

- 1) Equal or above 5,000 gross tonnage in respect of greenhouse gas emissions released during their voyages for the purpose of transpiring cargo or passengers for commercial purposes from their last port of call to a port of call under the jurisdiction of Montenegro and from a port of call under the jurisdiction of Montenegro to their next port of call, as well as within ports of call under the jurisdiction of Montenegro;

- 2) For general cargo of less than 5,000 gross tonnage, but above 400 tonnes in respect of greenhouse gases emissions released during their voyages for the purpose of transpiring cargo for commercial purposes from their last port of call to a port of call under the jurisdiction of Montenegro and from a port of call under the jurisdiction of Montenegro to their next port of call, as well as within ports of call under the jurisdiction of Montenegro, and for offshore ships less than 5,000 gross tonnage, but above 400 tonnes in respect of greenhouse gases emissions released during their voyages from their last port of call to a port of call under the jurisdiction of Montenegro and from a port of call under the jurisdiction of Montenegro to their next port of call, as well as within ports of call under the jurisdiction of Montenegro; and
- 3) Offshore ships of equal or above 5,000 gross tonnage in respect of greenhouse gases emissions released during their voyages from their last port of call to a port of call under the jurisdiction of Montenegro and from a port of call under the jurisdiction of Montenegro to their next port of call, as well as within ports of call under the jurisdiction of Montenegro;

The obligation to monitor greenhouse gas emissions shall not apply to warships, naval auxiliaries, fish-catching or fish-processing ships, wooden ships of a primitive build, ships not propelled by mechanical means, and ships owned by Montenegro used for non-commercial purposes.

The monitoring and reporting on greenhouse gasses emissions referred to in paragraph 1 of this Article shall cover the following gasses:

- 1) Carbon dioxide;
- 2) Methane; and
- 3) Nitrogen oxide.

The monitoring plan for emissions from vessels

Article 30

The shipping company shall submit a monitoring plan for Emissions from Vessels for each of its vessels to an accredited verifier (hereinafter referred to as: the Verifier), specifying the method for monitoring greenhouse gas emissions and other information in accordance with this Law by no later than 31 August 2026, and for vessels becoming for the first time subject of this Law after 31 August 2026 without unnecessary delay and no later than two months after the first call of each vessel in a port under the jurisdiction of Montenegro.

The shipping company shall apply appropriate measure to avoid data gaps within the reporting period.

The shipping company shall be obliged to ensure accurate and complete data on greenhouse gases emissions and other information in accordance with this Law.

The shipping company shall take account of recommendations included in the previous verification report during monitoring and reporting.

The Verifier shall assess the compliance of the monitoring plan for emissions from vessels with provisions of this Law.

If an assessment of the Verifier identifies non-compliance with this Law, the shipping company shall modify the monitoring plan for emissions from vessels and submit the modified plan to the Verifier for final assessment before the reporting period begins.

The shipping company shall submit the modified monitoring plan for emissions from vessels by no later than the beginning of the greenhouse gas emissions reporting period.

The shipping company shall submit a monitoring plan for emissions from vessels for each of its vessels to the Administration Authority, for which the Verifier has assessed that it is compliant with this Law.

The Administration Authority shall approve the submitted monitoring plan for emissions from vessels within four months following the first call of the ship in a port under the jurisdiction of Montenegro.

The administration authority responsible for the shipping company shall retain this authority regardless of subsequent changes in the activities or registration of the shipping company until such changes are reflected in the updated list.

The shipping company shall be obliged to check at least once a year whether the monitoring plan for emissions from vessels reflects the nature and operation of the vessel and if the monitoring methodology can be improved, and based on that, make modifications of the monitoring plan.

The shipping company shall be obliged to modify the monitoring plan for Emissions from Vessels in any of the following cases:

- 1) in case of changes to the company;
- 2) if new greenhouse gas emissions arise due to new emission sources or the use of new types of fuel that are not yet included in the monitoring plan;
- 3) if changes in data availability due to the use of new types of measuring equipment, new sampling methods, or analysis methods, or for any other reason, could affect the accuracy in determining greenhouse gas emissions;
- 4) if it is determined that the data from the applied monitoring method are inaccurate;
- 5) if any part of the monitoring plan is found to be non-compliant with the requirements of this Law, and the shipping company is required to revise it in accordance with paragraph 3 of this Article.

The shipping company shall be obliged to inform immediately the Verifier of any proposed modifications of the monitoring plan.

Modifications of the monitoring plan shall be subject to the Verifier's assessment in accordance with paragraph 5 of this Article.

After assessing the modified monitoring plan, the Verifier shall inform the shipping company whether the modifications are compliant.

After receiving the notification from the Verifier that the monitoring plan is compliant, the shipping company shall submit the modified monitoring plan to the Administration Authority.

In the case of a change in the shipping company, the new company shall ensure that each vessel under its responsibility is compliant with the requirements of this Law for the entire reporting period during which it assumes responsibility for the respective vessel.

The content and method of preparing the monitoring plan for emissions from vessels, modifications of the plan, procedures, processes, required data, methodology for monitoring greenhouse gas emissions from vessels, as well as compliance requirements, shall be prescribed by the Ministry, with the prior opinion of the state administration authority responsible for maritime affairs.

Objectives and measures for the reduction of greenhouse gas emissions in the land use, land-use change, and forestry sectors**Article 31**

In order to achieve the objectives of reducing greenhouse gas emissions, measures shall be taken to ensure that the calculated greenhouse gas emissions from the sectors of land use, land-use change, and forestry do not exceed the carbon sinks from that sector.

The implementation of measures referred to in paragraph 1 of this Article shall be the responsibility of the state administration authorities competent for environmental protection, agriculture, and forestry.

If the required emissions reductions cannot be compensated by the calculated difference between greenhouse gases emissions and sinks within the specified time limit, the Government may determine additional measures to achieve the mandatory greenhouse gas emission reduction targets.

Provisions of Articles 63 and 65 of this Law shall apply to the monitoring and reporting on measures to limit emissions in the sectors referred to in paragraph 1 of this Article.

The Ministry shall prescribe the method of calculating emissions from the forestry, land use, and land-use change sectors, as well as the permissible deviations from achieving these targets.

Emission of carbon dioxide from new passenger vehicles with internal combustion engines**Article 32**

A legal person and an entrepreneur who releases on the market or rents new passenger vehicles shall be obliged to display or make available information about fuel efficiency and carbon dioxide emissions for each model of the new passenger vehicle in a clearly visible manner at the point of sale or rental or its vicinity.

Information on fuel consumption and carbon dioxide emissions from new passenger vehicles shall be made available to consumers through labels (stickers) on the vehicles, posters or displays prominently placed at points of sale, fuel consumption and carbon dioxide emissions guides, and other promotional literature and materials.

The Ministry, in cooperation with legal persons and entrepreneurs referred to in paragraph 1 of this Article, shall prepare and publish on its website a Guide on fuel consumption and carbon dioxide emissions referred to in paragraph 2 of this Article, for all models of new passenger vehicles imported into Montenegro.

The Guide referred to in paragraph 2 of this Article shall be updated once a year.

The legal person and the entrepreneur referred to in paragraph 1 of this Article shall ensure that for each make of a car, a poster (or alternatively, a display) shall be exhibited with a list of data on the official fuel consumption and official specific carbon dioxide emission of all new passenger vehicle models displayed or offered for sale or lease at the point of sale.

The legal person and the entrepreneur referred to in paragraph 1 of this Article shall ensure that all promotional literature contains data on the official fuel consumption and official specific carbon dioxide emission of the passenger vehicle models to which it refers.

The labels (stickers) on vehicles, posters or displays placed at points of sale, the guide on fuel consumption and carbon dioxide emissions, and other promotional

literature and materials referred to in paragraph 2 of this Article must not include information that could mislead potential buyers of new passenger vehicles.

The legal person and the entrepreneur referred to in paragraph 1 of this Article, if necessary, may make available other types of promotional materials in order to display data on carbon dioxide emissions and fuel consumption for each specific model of vehicle to which the material refers.

The legal person and the entrepreneur referred to in paragraph 1 of this Article shall be obliged to provide a copy of the Guide referred to in paragraph 2 of this Article to persons who purchase or rent vehicles, free of charge.

The Ministry shall prescribe the detailed content of labels, guides, posters, displays, and other promotional literature and materials about fuel consumption and carbon dioxide emissions.

IV REPORTING ON EMISSIONS AND VERIFICATION OF THE REPORT

Reporting on greenhouse gas emissions **Article 33**

The operator of a stationary installation, or the aircraft operator, shall be obliged to submit a verified report on greenhouse gas emissions (hereinafter referred to as: the Verified Report) to the Administration Authority by 31st March of the current year for the previous year.

The Regulated Entity shall be obliged to submit the Verified Report by 30th April of the current year for the previous year.

The operator of a stationary installation, the regulated entity, or the aircraft operator that has ceased operations, or in the case of bankruptcy, the bankruptcy administrator, shall be obliged, without delay, to submit to the Administration Authority the Verified Report for the period from 1st January of the current year until the date of termination of operations.

In the event of permit revocation, the operator of a stationary installation, or the regulated entity, shall be obliged to prepare a verified emissions report for the period from the beginning of the year until the date of enforceability of the decision referred to in Article 20 of this Law.

The aircraft operator shall be obliged to report once a year on the effects of aviation activities not related to carbon dioxide emissions.

The Administration Authority shall, within 30 days from the date of submission, verify the Verified Reports in terms of compliance with the regulation referred to in paragraph 9 of this Article, and shall either return them for completion within a maximum of 15 days or approve them.

The Administration Authority shall publish on its website the approved Verified Reports, except for data the filer of the report indicated as confidential, in accordance with the law.

The Verifier shall be obliged, upon a request of the Administration Authority, to enable access to the internal verification documentation and other relevant information in order to check the Verified Report.

The Ministry shall prescribe the template and content of the Verified Report, the manner of reporting on emissions, the deadlines for retaining reports, the manner of

monitoring and reporting on the effects of aviation activities not related to carbon dioxide emissions, and the manner of verifying the completeness of reports.

Conservative assessment

Article 34

The Administration Authority shall conduct a conservative assessment of the level of greenhouse gas emissions and on as needed basis effects of aviation activities not related to carbon dioxide emissions within 30 days if the operator of a stationary installation, the regulated entity, or the aircraft operator:

- 1) fails to submit the Verified Report on greenhouse gas emission levels in accordance with Article 33 of this Law;
- 2) the Verified Report on greenhouse gas emission levels is not in compliance with the provisions of this Law;
- 3) the annual report on greenhouse gas emission levels is not verified in accordance with Article 35 of this Law;
- 4) if the Verifier states in its report that there are misrepresented data which the operator of a stationary installation, the regulated entity, or the aircraft operator has not corrected prior to the issuance of the verification report.

The costs of preparing the assessment referred to in paragraph 1 of this Article shall be borne by the operator of the stationary installation, the regulated entity, the aircraft operator, or the shipping company.

The operator of the stationary installation, the regulated entity, the aircraft operator, or the shipping company referred to in paragraph 1 of this Article shall be obliged, at the request of the Administration Authority, to submit within eight days from the date of receipt of the request all necessary documentation for the purpose of preparing the conservative assessment.

The Government shall prescribe the manner of calculation and the amount of conservative assessment.

The Ministry shall prescribe the manner of conducting the conservative assessment.

Verification of a greenhouse gas emissions report

Article 35

Verification of a greenhouse gas emissions report shall be conducted to ensure and control the quality of data for the purpose of improving the monitoring of and reporting on emissions.

An accredited legal person (hereinafter referred to as the Verifier) may conduct verification of greenhouse gas emissions report.

The operator of the stationary installation, the regulated entity, or the aircraft operator shall be obliged, at the request of the Verifier, to submit all documentation related to the operation of the installation, the activity of the regulated entity, or the aircraft, which is necessary for the verification of the report.

The Verifier shall submit the report on the verification of greenhouse gas emissions to the operator of the stationary installation, the regulated entity, or the aircraft operator.

If, during the verification of the report on greenhouse gas emissions, it is established that the plan for monitoring greenhouse gas emissions has not been approved by the Administration Authority or that the approved monitoring plan is not in accordance with current operations, the Verifier shall report this in its report on verification and

shall notify the operator of the stationary installation, the regulated entity, or the aircraft operator to modify the monitoring plan in accordance with this Law.

In the case referred to in paragraph 6 of this Article, the operator of the stationary installation, the regulated entity, or the aircraft operator shall be obliged to submit the modified plan for monitoring greenhouse gas emissions to the Administration Authority for approval in accordance with Article 24 of this Law.

If the operator of the stationary installation, the regulated entity, or the aircraft operator submits the plan for monitoring greenhouse gas emissions referred to in paragraph 6 of this Article by 31st December of the current year, the verification of the report shall continue on the basis of the approved modified monitoring plan.

Based on the information collected during the verification, the Verifier shall issue a Verified Report for each emissions report, reference data, data of a new entity, or activity level subject to verification, which shall state:

- 1) that the report has been verified as satisfactory;
- 2) that the report contains material errors which were not corrected prior to the issuance of the Verified Report;
- 3) that the scope of verification was too limited, and the Verifier was unable to obtain sufficient evidence to issue a verification opinion with reasonable assurance that the report does not contain material errors; or
- 4) that due to non-compliance, whether individual or in combination with other non-compliances, the report is unclear, and the Verifier cannot, with reasonable assurance, state that it does not contain material errors.

The greenhouse gas emissions report may be verified as satisfactory only if it does not contain material errors.

If the verified report states non-compliance or recommendations for improvement, the stationary installation operator or the aircraft operator shall submit to the Administration Authority for approval a report on improvement by 30 June of the year in which the Verifier issued the verified report.

The Administration Authority may extend the deadline referred to in paragraph 10 of this Article upon a request of the operator of a stationary installation or the aircraft operator until 30 September of the year in which the Verifier issued the verified report.

The operator of a stationary installation, the regulated entity, or the aircraft operator shall describe in the report referred to in paragraph 10 of this Article how and when has corrected or plans to correct the non-compliance established by the Verifier and make recommended improvement.

The operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company cannot trade emission allowances and carry out their transfer until obtaining a positive verified report.

The Ministry shall prescribe the criteria and methods for verifying emissions data, the content of internal verification documentation, the requirements for the independent auditor, and the process for auditing the verification procedure, the report retention periods, deadlines and methods for submitting information and documentation for action based on the Verifier's request.

Independent Auditor

Article 36

The Verifier shall be obliged to submit the internal verification documentation and the verified report to an independent auditor before issuing the Verified Report.

The independent auditor shall conduct the audit to ensure that the verification process has been conducted in accordance with this Law and that the procedures for verification activities have been properly executed with appropriate professional attention and assessment.

The independent auditor shall assess whether the collected evidence is sufficient for the Verifier to issue the Verified Report with reasonable assurance based on it.

The independent auditor cannot perform verification activities that are subject to his own audit.

The Ministry shall prescribe the requirements to be met by the independent auditor and the method of conducting the audit of the verification process.

Obligations of the Verifier

Article 37

The Verifier shall conduct the verification with the goal of submitting a Verified Report in which he concludes with reasonable assurance that the report of the stationary installation operator, the regulated entity, the aircraft operator, or the shipping company does not contain material errors.

The Verifier shall plan and conduct verification with professional scepticism, recognising the possibility of circumstances that could lead to material errors in the information contained in the report.

The Verifier shall assess the following during the verification procedure:

- 1) whether the report of the stationary installation operator, the regulated entity, the aircraft operator, or the shipping company is complete and whether it meets the requirements of this Law;
- 2) whether the information in the report of the stationary installation operator, the regulated entity, the aircraft operator, or the shipping company is complete, and whether it meets the requirements of this Law;
- 3) whether the stationary installation operator or regulated entity acted in accordance with the requirements of the greenhouse gas emission permit and the approved greenhouse gas emissions monitoring plan for the verification of the stationary installation operator's or regulated entity's greenhouse gas emissions report, or in accordance with the requirements of the approved greenhouse gas emissions monitoring plan for the verification of the aircraft operator's or the shipping company's greenhouse gas emissions report;
- 4) whether the operator acted in accordance with the requirements of the approved monitoring methodology plan when it comes to the report of the operator on reference data, the report on data of a new installation, or the annual report on the level of activity;
- 5) whether the data in the report of the stationary installation operator, the regulated entity, the aircraft operator, or the shipping company is free from material errors;
- 6) whether the information that shows the data flow activities, control system, and related procedures of the stationary installation operator, the regulated entity, the aircraft operator, or the shipping company can be provided, with the aim of improving the efficiency of their monitoring and reporting.

If the Administration Authority has not approved the greenhouse gas emissions monitoring plan, if the plan is incomplete, or if significant changes were made to it during the reporting period that the Administration Authority has not approved, the

Verifier shall advise the stationary installation operator, the regulated entity, or the aircraft operator to obtain the necessary approval from the Administration Authority.

After the approval of the Administration Authority, the Verifier shall continue, repeat, or adjust the verification activities in accordance with the approval.

If the approval of the Administration Authority has not been obtained before the issuance of the Verified Report, the Verifier shall report this in the Verified Report.

The Verifier shall implement the verification plan and based on a risk analysis, check the implementation of the approved plan or monitoring methodology plan, as needed.

The Verifier shall check the proper application and implementation of the monitoring methodology as approved by the Administration Authority in the greenhouse gas emissions monitoring plan, including specific details of that monitoring methodology.

Monitoring, reporting and verification of emissions from vessels

Article 38

A shipping company, based on the monitoring plan for emissions from vessels, shall monitor greenhouse gas emissions and other relevant information for each vessel per voyage and on an annual basis, by applying an appropriate method for determining greenhouse gas emissions in accordance with the regulation referred to in paragraph 11 of this Article.

The shipping company shall be obliged to collect, record, compile, analyse, and document monitoring data, including assumptions, references, emission factors for each type of the fuel, and activity data, in a transparent manner that enables the Verifier to recalculate the greenhouse gas emissions.

The shipping company shall submit to the Administration Authority by 31st March of each year, an annual report on greenhouse gas emissions and other relevant information for the entire reporting period for each vessel under its responsibility that has been verified as satisfactory by the Verifier.

The shipping company shall submit to the Administration Authority by 31st March of each year a report on consolidated data on greenhouse gases emissions at the company level, covering emissions during the reporting period of the previous year related to maritime transport activities for all vessels under its responsibility, and which has been verified in accordance with this Law.

The Verifier shall assess the compliance of the emissions report referred to in paragraph 3 of this Article and the report on consolidated emissions data referred to in paragraph 4 of this Article with the provisions of this Law.

If, during the assessment, the Verifier determines that the emissions report does not contain significant material errors, the Verifier shall issue a verification report where it shall state that the report is verified as satisfactory.

If, during the assessment, it is concluded that the emissions report contains material errors or non-compliances, the Verifier shall notify the shipping company thereof in a timely manner.

The shipping company shall correct the material errors or non-compliances in order to enable the verification process to be completed on time and shall submit to the Verifier the revised emissions report and all other information required to address the identified non-compliances.

The Verifier shall state in the verification report whether the company has corrected the material errors or non-compliances identified during the assessment within the verification process.

If the reported material errors or non-compliances have not been corrected and individually or in combination result in significant material errors, the Verifier shall issue a verification report stating that the emissions report is not in compliance with this Law.

If there is a change in the shipping company, the previous shipping company shall submit to the Administration Authority, the competent authority of the flag state for ships sailing under the flag of the European Union Member State of and the new shipping company a verified report on greenhouse gas emissions on the date as close as possible to the end date of the change, and no later than within three months of the change, which includes the same elements as the report on emissions referred to in paragraph 3 of this Article, for the period corresponding to the activities carried out under its responsibility.

The Ministry shall prescribe necessary data and methodology for monitoring greenhouse gas emissions and monitoring other relevant data, data management and control method, the content and format of the greenhouse gas emissions report from vessels, the methodology for verifying the report, upon obtaining the prior opinion of the state administration authority responsible for maritime affairs.

Document of Compliance

Article 39

Based on the verification report referred to in Article 38, paragraph 3, the Verifier shall issue a document of compliance for the vessel concerned.

The document of compliance shall contain the following data:

- a) identity of the ship (name, IMO identification number, port of registry or home port);
- b) name, address and principal place of business of the ship owner;
- c) identity of the Verifier;
- d) date of issuance of the document of compliance, its period of validity, and the reporting period to which it refers.

The document of compliance shall be valid for 18 months after the end of the reporting period.

By 30th June of the year following the end of a reporting period, vessels arriving at, within or departing from a port under the jurisdiction of Montenegro, and which have carried out voyages during that reporting period, must carry on board a valid document of compliance.

The Ministry shall prescribe the content of the document of compliance, upon obtaining the prior opinion of the state administration authority responsible for maritime affairs.

Detention and expulsion of a ship

Article 40

If a ship sails under the flag of a European Union Member State and enters one of the ports under the jurisdiction of Montenegro or is present in one of its ports, after allowing the respective shipping company to provide a statement, Montenegro may detain the ship until the shipping company fulfils its monitoring and reporting obligations.

If a ship that sails under the flag of a non-European Union Member State has failed to comply with its monitoring and reporting obligations for two or more consecutive reporting periods, and where other enforcement measures failed to ensure compliance,

the state administration authority responsible for maritime affairs, after allowing the shipping company to provide a statement, may issue an expulsion order and notify the European Maritime Safety Agency (EMSA) and the flag State of the ship.

The fulfilment of monitoring and reporting obligations shall be confirmed by the notification of a valid document of compliance to the state administration authority responsible for maritime affairs.

As a result of issuing an expulsion order, Montenegro may refuse the entry of the vessel into all its ports until the shipping company fulfils its monitoring and reporting obligations.

If the shipping company fails to fulfil the obligation to surrender emission allowances during two or more consecutive reporting periods and if compliance has not been ensured by other enforcement measures, the state administration authority responsible for maritime affairs may, after allowing the shipping company to make a statement, issue an expulsion order, which shall be notified to the European Commission, the European Maritime Safety Agency (EMSA), other European Union Member States, and the flag State of the ship.

Due to the issuance of an expulsion order, except for ships sailing the flag of Montenegro, ships under the responsibility of the shipping company that failed to fulfil the obligation to surrender emission allowances shall be denied entry to ports in Montenegro until the shipping company fulfils its obligation to surrender emission allowances.

If a ship sails under the flag of Montenegro and enters one of its ports or finds itself in one of its ports, the state administration authority responsible for maritime affairs, after allowing the shipping company to make a statement, shall detain the ship until the shipping company fulfils the obligation to surrender emission allowances.

The shipping company or ship owner or its representative may have the right to an effective remedy before a competent court against an expulsion order and the state administration authority responsible for maritime affairs shall be obliged to inform them thereof.

Independence of the Verifier

Article 41

The Verifier shall carry out verification in the public interest and shall be independent of the operator of the stationary installation, the regulated entity, the aircraft operator, the shipping company, or the Ministry and the Administration Authority.

In order to ensure independence and impartiality, the Verifier may not be the operator of a stationary installation, the regulated entity, the aircraft operator, the shipping company, the owner of the operator of a stationary installation, regulated entity, aircraft operator or shipping company, or be owned by the operator of a stationary installation, regulated entity, aircraft operator or shipping company, nor may the Verifier be in a conflict of interest in accordance with Article 42 of this Law.

The Verifier shall also be independent from entities that trade emission allowances within the greenhouse gas emissions trading system.

The Verifier shall not conduct verification activities for an operator of a stationary installation, a regulated entity, an aircraft operator, or a shipping company that poses an unacceptable risk to its impartiality or creates a conflict of interest for the Verifier.

The Verifier shall not involve in the verification of the report of the operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping

company any personnel or external associates whose work would lead to an actual or potential conflict of interest.

The Verifier may not entrust external associates with the conclusion of contracts between the operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company and the Verifier, nor with the independent review or issuance of the verified report.

Notwithstanding paragraph 6 of this Article, contracting the verification services with natural persons shall not be considered cooperation with external associates if the Verifier, upon concluding a contract with such persons, assumes full responsibility for the verification they perform.

During the verification of the report of the same operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company as in the previous year, the Verifier shall assess the risk to impartiality and take measures to mitigate that risk.

The Verifier shall also ensure that the activities of its personnel or associated organisations do not affect the confidentiality, objectivity, independence and impartiality of the verification.

A legal person that has prepared the emissions report or the greenhouse gas emissions monitoring plan for a specific stationary installation, a regulated entity, an aircraft operator, or a shipping company may not conduct the verification of the report for that same stationary installation, regulated entity, aircraft operator, or shipping company.

Existence of conflict of interest

Article 42

A conflict of interest between the Verifier and the operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company shall exist if:

- 1) a representative of the Verifier, acting on behalf of and/or for the account of the Verifier, who conducts the verification, has a direct or indirect financial, economic, or other personal interest that may affect his impartiality and independence in conducting the verification, especially if:
 - it is involved in the management of the operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company; or
 - it holds an ownership participating interest or shares amounting to more than 2.5% of the capital, or any other right by which it may participate in the management of the business of the operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company;
- 2) an authorised representative of the operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company:
 - holds an ownership participating interest or shares in the Verifier amounting to more than 2.5% of the capital value; or
 - is the spouse or cohabitation partner of a representative of the Verifier, regardless of whether the union still exists, or is a relative in the direct line or collateral line up to the fourth degree, by affinity up to the second degree, or is an adopter or adoptee.

- 3) the relationship between the Verifier and the operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company or the aircraft operator is based on joint ownership, joint management, shared administration or personnel, shared resources, shared finances, joint contracts, or joint release into the market;
- 4) the operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company has used advisory services for the development of any part of the monitoring and reporting procedure, or technical assistance in developing or maintaining the system used for monitoring emissions data or data relevant for the free allocation of emission allowances and reporting thereof, provided by an advisory body, a body responsible for technical assistance, or any other organisation affiliated with the Verifier, which compromises his impartiality.

The representative of the Verifier referred to in paragraph 1, item 1 of this Article shall be:

- 1) the authorised representative of the Verifier;
- 2) an official in charge of verification; and/or
- 3) a person referred to in items 1 and 2 of this paragraph which acts in the name and/or for on behalf of the Verifier.

The provision of paragraph 1, item 1 of this Article shall also apply to relatives in the direct line and in the collateral line up to the fourth degree, relatives by affinity up to the second degree, the spouse or cohabitation partner, regardless of whether the marriage has ended, to the adopter and adoptee, and to the representative of the Verifier referred to in paragraph 2, item 1 of this Article.

The transfer of participating interests or shares in ownership to another legal or natural person, in accordance with regulations on the prevention of conflicts of interest, shall not eliminate the existence of a conflict of interest for as long as the transfer of participating interests is ongoing.

If the Verifier conducts six annual verifications for a specific aircraft operator, after that it shall be obliged to take a break of three consecutive years from providing verification services to that aircraft operator.

If the Verifier conducts annual verifications for a specific stationary installation for five consecutive years, it may not provide verification services to that installation for the following three consecutive years.

Management, control and recording of data

Article 43

The operator of the stationary installation, the regulated entity, the aircraft operator, or the shipping company shall be obliged to establish records and procedures for keeping documentation on greenhouse gas emissions.

The operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company referred to in paragraph 1 of this Article shall be obliged to keep the documentation on greenhouse gas emissions for at least ten years.

The operator of a stationary installation, the regulated entity, the aircraft operator, or the shipping company shall be obliged to regularly collect and control the collection of data on greenhouse gas emissions in accordance with the monitoring plan.

The Ministry and the Administration Authority shall be obliged to make available all decisions and reports on the allocation of emission allowances, monitoring, reporting, and verification of greenhouse gas emissions in a non-discriminatory and transparent

manner, except for the data and information that are considered confidential or a trade secret in accordance with the law.

The Ministry shall prescribe detailed conditions regarding the management, control, and recording of data that must be fulfilled by the operator of a stationary installation, the regulated entity, the aircraft operator, and the shipping company.

V EMISSION ALLOWANCES TRADING SYSTEM

Emission allowances trading Article 44

Greenhouse gas emissions from stationary installations and aircrafts shall be reduced by trading of emission allowances and their surrender with quantities gradually limited, thereby contributing to climate change mitigation in a cost-effective manner.

Allocation of emission allowances for stationary installations Article 45

An operator of a stationary installation holding a permit shall be allocated emission allowances.

The Ministry, through public auctions and/or free allocation, shall conduct the allocation of emission allowances.

Free emission allowances shall not be allocated to new installations for the production of electricity.

The Ministry shall allocate to the operator of a stationary installation the quantity of emission allowances to be allocated free of charge for the current calendar year by 30th June of the current year.

A commission established by the Ministry shall conduct the procedure for public auctions and the allocation of free emission allowances.

The public auction shall be conducted on the basis of a call for the allocation of emission allowances, issued by the Ministry.

Emission allowances allocated through the public auction may be transferred between stationary installations within the defined time period for the allocation of emission allowances.

The operator of a stationary installation that has ceased operations shall not be allocated free emission allowances from the calendar year in which the installation had terminated operations.

For installations, whose emission permit has been revoked, as well as for installations where operations or restarting operations are technically impossible, it shall be considered that they terminated operations.

Emission allowances allocated to the operator of a stationary installation that has ceased operations shall be revoked.

The operator of a stationary installation shall be obliged to notify the Administration Authority by 15th January of each year about any changes related to the operation of the installation in the previous calendar year that affect the allocation of emission allowances to the installation.

If a stationary installation reduces its production activity after the allocation of free emission allowances, as well as in the case a bankruptcy or liquidation are initiated, the

Ministry shall issue a decision to reduce the number of free emission allowances allocated to the stationary installation.

The operator of a stationary installation shall be obliged to return the excess emission allowances within 30 days from the date of receipt of the decision referred to in paragraph 12 of this Article.

The Government shall prescribe the total quantity of emission allowances that can be allocated, the allocation period for emission allowances, the method for calculating the total quantity of emission allowances for the allocation period and the quantity of emission allowances for each year of the allocation period, transitional measures, conditions and criteria for the allocation of free emission allowances for energy-intensive industries and the modernisation of the energy sector, the quantity of emission allowances in the stability reserve, the method for conducting the auction for the allocation of emission allowances, the minimum price of emission allowances, the gradual reduction dynamics of the number of free emission allowances, the method for maintaining the register of allocated emission allowances, their surrender, transfer, and use.

Allocation of emission allowances for aircraft operators

Article 46

The aircraft operator, who has been approved a monitoring plan for aircraft emissions, shall be allocated emission allowances.

The Ministry shall carry out public auction for allocation of emission allowances.

The public auction shall be conducted in accordance with the provisions of Article 45 of this Law.

Surrendering emission allowances for shipping companies

Article 47

The shipping company shall be obliged to surrender emission allowances to the registry of emission allowances (hereinafter referred to as the Registry) by 30th September of each year in the amount corresponding to the verified total emission of greenhouse gases in the previous calendar year.

The allocation of emission allowances and the application of surrender requirements in respect of maritime transport activities shall apply in respect of 50% of the emissions from ships performing voyages departing from a port of call under the jurisdiction of a Member State and arriving at a port of call outside the jurisdiction of a Member State, 50% of the emissions from ships performing voyages departing from a port of call outside the jurisdiction of a Member State and arriving at a port of call under the jurisdiction of a Member State, 100% of the emissions from ships performing voyages departing from a port of call under the jurisdiction of a Member State and arriving at a port of call under the jurisdiction of a Member States, and 100% of the emissions from ships within the port of call under the jurisdiction of a Member State.

The shipping company shall be obliged to surrender emission allowances to the Registry for 100% of the verified emissions reported.

Notwithstanding paragraph 3 of this Article, the shipping company may surrender 5% fewer emission allowances than its verified emissions released from ice-class ships until 31 December 2030, provided that such ships have the ice class IA or IA Super or an equivalent ice class established based on HELCOM Recommendation 25/7.

Notwithstanding paragraph 3 of this Article, no measures will be taken against the shipping company in respect of emissions released until 31 December 2030 from

voyages performed by passenger ships or by *ro-pax* ships within the framework of a transnational contract on public services or a transnational obligation to provide a public service between a Member State and another Member State, one of which having no land border with another Member State, and the other Member State which is the geographically closest to the Member State without such a land border, as well as the activities of such ships, within a port in relation to such voyages.

Notwithstanding paragraph 3 of this Article, no measures will be taken against the shipping company in respect of emissions release until 31 December 2030, from voyages performed by passenger ships and by *ro-pax* ships, other than cruise passenger ships, between a port of an island under the jurisdiction of that Member State, with no road or rail link with the mainland and with a population of fewer than 200,000 permanent residents according to the latest best data available in 2022, and a port under the jurisdiction of the same Member State, as well as from the activities of such ships within a port in relation to such voyages.

An obligation to surrender emission allowances shall not arise in respect of emissions released until 31 December 2030 from voyages between a port located in the outermost region of a Member State and a port located in the same Member State, including voyages between ports within the outermost region and voyages between ports in the outermost regions of the same Member State, as well as from the activities of such ships within a port in relation to such voyages.

If an entity other than the shipping company assumes the ultimate responsibility for the purchase of the fuel, or the operation of the ship, or both, pursuant to a contract, the shipping company shall be entitled to reimbursement from that entity for costs arising from the surrender of emission allowances.

In the case referred to in paragraph 8 of this Article, the shipping company shall remain the entity responsible for surrendering emission allowances and shall be obliged to surrender emission allowances to the Registry, notwithstanding the entitlement of such shipping companies to be reimbursed by the commercial operators for the costs arising from the surrender.

For the purpose of paragraph 8 of this Article, operation of the ship shall mean determining the cargo carried by the ship, or the route and the speed of the ship.

The Government shall prescribe the allocation period for emission allowances for the aircraft operators and for shipping companies, the method of calculating the total amount of emission allowances for the allocation period, and the amount of emission allowances for each year of the allocation period for emission allowances, the amount of emission allowances in the stability reserve, the method of conducting the auction for the allocation of emission allowances, the minimum price of emission allowances.

Fee for the difference in emission of greenhouse gases

Article 48

The operator of a stationary installation or the aircraft operator who fails to surrender the emission allowances shall be obliged to pay a fee for the difference in greenhouse gas emissions per tonne of carbon dioxide equivalent emissions (t CO₂ eq.) emitted by the installation or aircraft, for which emission allowances have not been surrendered.

The Administration Authority shall determine the quantity of emissions referred to in paragraph 1 of this Article and shall issue a decision on the payment of the fee.

An appeal against the decision referred to in paragraph 2 of this Article may be lodged with the Ministry within eight days of the date of receipt of the decision.

The payment of the fee referred to in paragraph 1 of this Article shall not exempt the operator of the stationary installation or the aircraft operator from the obligation to surrender the quantity of emission allowances equal to the emissions quantity referred to in paragraph 2 of this Article when surrendering the emission allowances for the following calendar year.

The operator of a stationary installation or the bankruptcy administrator who fails to return the excess free emission allowances shall be obliged to pay a fee equal to double the value of the total quantity of emission allowances that were allocated excessively to them.

The Ministry shall issue the decision on the payment of the fee referred to in paragraph 5 of this Article.

An administrative dispute may be initiated against the decision referred to in paragraph 5 of this Article.

The fees referred to in paragraphs 1 and 5 of this Article shall be paid into the account of the Fund for Protection of the Environment (hereinafter referred to as the Eco-Fund).

The Government shall prescribe the amount and manner of payment of the fee.

Registry **Article 49**

The Ministry shall maintain the Registry, in which allocation of allowances, their surrender, transfer, cancellation, and withdrawal are recorded.

The Ministry shall ensure that the data entered into the Registry are identical to the data from the original documents on the basis of which the data is recorded.

Persons who conclude legal transactions with operators of stationary installations shall bear the risk of determining the accuracy of the data contained in the Registry for their purposes, unless otherwise specified by this Law.

The Registry shall be kept in an electronic form as a single database.

The data entered into the Registry shall be public.

An integral part of the Registry shall be the original documentation based on which the allocation, transfer, cancellation, and withdrawal of emission allowances are recorded.

The original documentation referred to in paragraph 6 of this Article shall also include electronic documents in accordance with the law governing the electronic documents.

Personal data processed during the registration procedure shall be subject to the law governing the protection of personal data.

The Ministry shall prescribe detailed content and the manner of maintaining the Registry.

Exclusion from the emission allowance trading system **Article 50**

The operator of a stationary installation to which a permit has been issued may submit a request to the Administration Authority for exclusion from the emission allowance trading system if it cumulatively meets the following conditions:

- 1) it has greenhouse gas emissions of less than 25,000 tonnes of CO2(e) annually during each of the three years preceding the submission of the request, in accordance with the verified emissions report;
- 2) it has a nominal input thermal energy of less than 35 MW for a combustion installation, excluding emissions from biomass, during each of the three years preceding the submission of the request and applies measures to achieve an equivalent contribution to the reduction of emissions.

The operator of a stationary installation, which in accordance with the verified report, has greenhouse gas emissions of less than 2,500 tonnes of CO2(e) annually during each of the three previous years, excluding emissions from biomass, may submit a request to the Administration Authority for exclusion from the emission allowance trading system if it monitors and reports on annual greenhouse gas emissions.

The operator of a stationary installation may submit a request to the Administration Authority for exclusion from the emission allowance trading system for reserve or auxiliary units with fewer than 300 operating hours annually during each of the three years preceding the submission of the request.

The Administration Authority shall issue a decision by which the operator of the stationary installation referred to in paragraphs 1 to 3 of this Article is excluded from the emission allowance trading system.

The decision on exclusion from the emission allowance trading system shall specify the following for the operator of the stationary installation referred to in paragraph 1 of this Article:

- 1) the obligation to implement measures to achieve an equivalent contribution to the reduction of emissions; and
- 2) the obligation to monitor and report on the implementation of measures to achieve an equivalent contribution to the reduction of emissions in accordance with Article 28 of this Law.

By being excluded from the emission allowance trading system, the operator of a stationary installation referred to in paragraphs 1 and 4 of this Article shall not be obliged to surrender emission allowances in accordance with Article 45 of this Law.

Free emission allowances shall not be allocated to an installation that has been excluded from the emission allowance trading system.

If any installation referred to in paragraph 1 of this Article emits 25,000 tonnes or more of CO2(e) in any calendar year, or if the installation fails to implement measures to achieve an equivalent contribution to the reduction of emissions, that installation shall be re-included in the emission allowance trading system.

If any installation referred to in paragraph 4 of this Article emits 2,500 tonnes or more of CO2(e) in any calendar year, excluding emissions from biomass, the Administration Authority shall re-include that installation in the emission allowance trading system.

The Administration Authority shall issue a decision on the re-inclusion into the emission allowance trading system.

An appeal against the decision referred to in paragraphs 4 and 10 of this Article may be submitted to the Ministry within eight days from the date of receipt of the decision.

Recognising and cancelling the emission allowance

Article 51

Emission allowances issued by a competent authority of another European Union Member State shall be recognised in Montenegro for the purpose of meeting

obligations of a stationary installation operator, an aircraft operator, or a shipping company.

Emission allowances surrendered in the Registry shall be cancelled upon surrendering.

Names of stationary installation operators, aircraft operators, and shipping companies that are in breach of a requirement to surrender sufficient emission allowances in accordance with this Law shall be publically disclosed.

VI ACCREDITATION

Accreditation of verifiers

Article 52

The accreditation body, in accordance with this Law and the law governing the accreditation method and procedure, shall accredit a domestic legal person that meets the prescribed requirements for a Verifier.

Conditions for foreign legal persons that conduct verification

Article 53

The verification of the greenhouse gas emissions report may also be conducted by a foreign legal person accredited as a verifier in a European Union Member State or a contracting party to the Energy Community.

The legal person referred to in paragraph 1 of this Article shall submit proof of accreditation to the Administration Authority and the Accreditation Body of Montenegro (hereinafter referred to as the Accreditation Body).

Assessment of Verifiers

Article 54

The Accreditation Body shall assess the following in the accreditation process, as well as in the process of monitoring the work of accredited Verifiers:

- 1) the fulfilment of the conditions prescribed by the law governing accreditation;
- 2) the fulfilment of conditions prescribed by this Law and the regulations adopted pursuant to this Law;
- 3) the competence for conducting verification in accordance with this Law;
- 4) the fulfilment of conditions prescribed by harmonised international accreditation standards; and
- 5) whether verification is performed in accordance with this Law.

Application for accreditation

Article 55

The applicant shall submit the documentation prescribed by the law governing accreditation and other general acts of the Accreditation Body along with the accreditation application, as well as data relevant for: assessing the competence for conducting verification, evaluating the verification process, and determining fulfilment of the requirements for verifiers as prescribed by regulation adopted pursuant to this Law.

The Ministry shall prescribe the detailed conditions regarding the personnel and equipment that the legal person referred to in Article 35, paragraph 2 of this Law must

meet, additional criteria for assessing competence for conducting verification, activities for which the verifiers are accredited, for evaluating the verification process and determining fulfilment of the requirements for verifiers, as well as the criteria for evaluating the competences of an independent auditor referred to in Article 36 of this Law.

Extraordinary assessment

Article 56

The Accreditation Body may conduct an extraordinary assessment of the Verifier to ensure that the Verifier meets the requirements of this Law.

In order to enable the Accreditation Body to determine the need for an extraordinary assessment, the Verifier shall inform the Accreditation Body forthwith of all significant changes concerning any aspect of its status or operation and essential for its accreditation.

Extending the scope of accreditation

Article 57

The Accreditation Body, upon request of a Verifier for an extension of the scope of accreditation, shall carry out the necessary activities to determine whether the Verifier meets the requirements referred to in Article 55 of this Law for the extension of the scope of its accreditation.

Control of work of Verifiers

Article 58

The Accreditation Body shall conduct control of the work of Verifiers in accordance with the annual surveillance programme for the following year and shall submit a report on the implementation of the surveillance to the Ministry by 1st June of the current year for the previous year.

The surveillance programme of the work of Verifiers shall include a list of Verifiers that have been accredited and who have notified the Accreditation Body of their intention to conduct verification.

The Ministry shall prescribe the content of the report referred to in paragraph 1 of this Article.

Administrative measures and a notification on the scope of accreditation of Verifiers

Article 59

The Accreditation Body may suspend, revoke, or reduce the scope of a Verifier's accreditation if the Verifier does not meet the conditions prescribed by this Law and the law governing the accreditation.

The Accreditation Body shall suspend the accreditation or reduce the scope of accreditation if the Verifier has:

- 1) seriously violated the requirements prescribed by this Law;
- 2) persistently and repeatedly failed to meet the requirements of this Law; and/or
- 3) violated the requirements prescribed by the law governing the accreditation, and the conditions set out in accreditation rules, and other acts of the Accreditation Body.

The Accreditation Body shall revoke the accreditation if:

- 1) the Verifier has not resolved the causes that led to the decision to suspend the accreditation;
- 2) the Verifier had deliberately provided false information or concealed information relevant to the accreditation;
- 3) a member of the top management of the Verifier has been convicted as guilty for fraud charges.

A complaint against the decision of the Accreditation Body on suspension, revocation, or reduction of the scope of accreditation in accordance with paragraphs 2 and 3 may be submitted to the Accreditation Body in accordance with the provisions of the law governing the accreditation field.

The Accreditation Body shall inform the Ministry about the suspension, revocation, or reduction of the scope of the Verifier's accreditation, or about the termination of the suspension or changes to the decision on the suspension, revocation, or reduction of accreditation based on the complaint.

Complaint regarding the work of Verifiers

Article 60

The Ministry, the Administration Authority, the operator of a stationary installation, the regulated entity, the aircraft operator, the shipping company, or any other interested party may file with the Accreditation Body a complaint regarding the work of the Verifier.

If the Accreditation Body shall receive a complaint from interested parties regarding the work of the Verifier, within 90 days from the date of receipt of the complaint shall:

- 1) decide on the grounds of the complaint;
- 2) ensure that the subject Verifier is given a possibility to state out its objections;
- 3) undertake appropriate measures for resolving the complaint;
- 4) record the complaint and the undertaken measures; and
- 5) respond to the complaint.

Information Exchange

Article 61

If the Accreditation Body has imposed administrative measures on the Verifier in accordance with Article 59 of this Law or if a suspension of the accreditation has been terminated or a decision on appeal has reversed the decision of the Accreditation Body to impose administrative measures, the Accreditation Body shall inform thereof:

- 1) the Ministry and the Administration Authority;
- 2) the component authority and the accreditation body of other States where the Verifier conducts verification.

Each year, the Administration Authority shall submit the following data to the Accreditation Body:

- 1) relevant results of the verification of the report of the stationary installation operator or the aircraft operator or the report of the regulated entity and the corresponding verified reports, especially for any established non-compliance of the Verifier with this Law;
- 2) results of inspections of stationary installation operators, aircraft operators or regulated entities if these results are relevant for the Accreditation Body with regard to the accreditation and surveillance of the Verifier or if these results include any established non-compliance of the Verifier with this Law;

- 3) results of checks of the Verifier's internal verification documentation if the Administration Authority assessed the internal verification documentation in accordance with Article 33, paragraph 8 of this Law;
- 4) complaints received by the Administration Authority in connection with the work of the Verifier.

If the information referred to in paragraph 1 of this Article proves that the Administration Authority has established non-compliance of the Verifier with this Law, the Accreditation Body shall consider the submission of this information as a complaint against the Verifier within the meaning of Article 60 of this Law.

VII MONITORING AND REPORTING ON GREENHOUSE GAS EMISSIONS AT THE NATIONAL LEVEL, CLIMATE CHANGE MITIGATION AND ADAPTATION TO CLIMATE CHANGE

The system for greenhouse gas inventory and removal by sinks, and the system for policies, measures, and projections of greenhouse gas emissions, and measures for adaptation to climate change

Article 62

In order to ensure the timeliness, transparency, accuracy, consistency, comparability, and completeness of information on greenhouse gas emissions and the inventory of greenhouse gases and removals by sinks, a system for the greenhouse gases inventory and removals by sinks shall be established, maintained, and continuously improved.

In order to ensure the timeliness, transparency, accuracy, consistency, comparability, and completeness of information on policies, measures, and projections of greenhouse gas emissions by sources and removals by sinks, as well as measures for adaptation to climate change, a system for policies, measures, and projections of greenhouse gas emissions, measures for adaptation to climate change, and the financing of policies and measures in the field of mitigation and measures of adaptation to climate change shall be established, maintained, and continuously improved.

The systems referred to in paragraphs 1 and 2 of this Article shall include institutional, legal, and procedural mechanisms for reporting on the emissions inventory, removals by sinks, policies, measures, and projections of anthropogenic emissions, adaptation measures to climate change, as well as the financing of policies and measures in the field of mitigation and measures of adaptation to climate change.

State administration authorities, local administration authorities, and other legal persons responsible for environmental protection shall be obliged to assess the effects of policies and measures on the level of greenhouse gas emissions within their competence and report on them to the Ministry.

The Government shall prescribe the manner of operation of the systems referred to in paragraphs 1 and 2 of this Article.

Inventory of greenhouse gas emissions

Article 63

The greenhouse gas emissions inventory (hereinafter referred to as: the Inventory), including also removals by sinks, shall be prepared by the Administration Authority using good practice methodologies in accordance with the Paris Agreement.

For the purpose of preparing the Inventory, the Administration Authority shall compile a preliminary inventory by 31st July each year for the period up to and including the year preceding the current year and shall submit it to the Energy Community without delay.

The final report on the Inventory shall be prepared each year for of two years preceding the current year.

The Ministry shall submit the final report on the Inventory to the Energy Community Secretariat by 15th March and the preliminary data on the Inventory by 15th January each year.

The Ministry shall submit the Inventory and the Inventory report to the Secretariat of the United Nations Framework Convention on Climate Change (hereinafter referred to as: UNFCCC) by 15th April each year.

Data for the preparation of the emissions Inventory shall be collected based on the annual plan on data collection adopted by the Ministry.

The Government shall establish the list of greenhouse gases.

State administration authorities and other legal persons managing information systems and databases related to environmental protection, forestry, waste, nature protection, statistics, agriculture, energy, economy, water management, transport, and spatial planning, as well as economic entities holding data necessary for the preparation of the Inventory, shall be obliged to provide data to the Administration Authority in accordance with the annual data collection plan for the preparation of the Inventory.

For the purpose of improving the quality of the Inventory, the Administration Authority shall prepare a data quality assurance and quality control plan and submit it to the Ministry for consent by 15th December of the current year.

The Government shall prescribe the manner of preparation and the content of the Inventory and the Inventory report, as well as the preliminary inventory, the list of greenhouse gases for the preparation of the Inventory, the method of report assessment, the values of global warming potential for the purpose of determining the Inventory data, the content of the annual data collection plan on activities by sectors and the deadlines for data submission, removals of greenhouse gases by sinks, the method of calculating greenhouse gas emissions by sectors, the method of data quality control, the method and methodology for monitoring and reporting, as well as the content of the climate change registry, and the content of the greenhouse gas emissions report.

Climate change Registry

Article 64

The Ministry shall maintain the climate change registry.

The climate change registry shall be a systematized digital database in which inventories, inventory reports, reports on projections and measures, and the accurate accounting of nationally determined contributions are stored, in accordance with internationally ratified agreements in the field of climate change.

The climate change registry shall be maintained in electronic form.

The Ministry shall prescribe the detailed content and manner of maintaining the Registry.

Submitting data for drafting the report**Article 65**

State administration authorities, local administration authorities, and holders of public authorisations responsible for hydrometeorology, environmental protection, rescue and protection /disaster risk reduction, statistics, gender equality, agriculture, fisheries, forestry, waste management, water management, energy, industry, transport, infrastructure, spatial planning, nature protection, the sea, tourism, and health, which collect and/or possess data on sectoral activities in which greenhouse gases are emitted or removed, on climate change mitigation measures, on greenhouse gas emission projections, and on measures for adaptation to climate change, necessary for the preparation of reports referred to in Articles 66, 67, and 70 of this Law, shall be obliged to timely submit such data to the Ministry, or to the Administration Authority for the preparation of reports referred to in Articles 63 and 68 of this Law.

For the purpose of improving financial reporting on climate measures and activities, the entities referred to in paragraph 1 of this Article shall be obliged, along with the aforementioned data, to also submit data on climate-relevant expenditures in their budgets and other sources of financing for such expenditures.

For the purposes of data collection, monitoring and preparing reports on policies and measures for the reduction of emissions and the enhancement of greenhouse gas sinks, emission projections, as well as measures for adaptation to climate change, the Ministry shall use electronic software (an internet application) that enables electronic entry, processing, and presentation of data.

The Ministry shall prescribe the types, manner, deadlines, and methodology for submitting the data referred to in paragraphs 1 and 2 of this Article, as well as the content and manner of establishing the application referred to in paragraph 3 of this Article.

Reporting in accordance with ratified international agreements**Article 66**

In accordance with obligations arising from internationally ratified agreements in the field of climate change, the Ministry shall prepare the National Communication on Climate Change and the Biennale Transparency Report in accordance with the Paris Agreement.

The Government, upon the proposal of the Ministry, shall adopt the reports referred to in paragraph 1 of this Article.

The Ministry shall submit the reports to the UNFCCC Secretariat.

Reporting on policies and measures for climate change mitigation**Article 67**

The Ministry shall prepare a report on the implementation of the Strategy and an Action Plan, as well as on policies and measures for climate change mitigation.

The report referred to in paragraph 1 of this Article shall be prepared every two years and submitted to the Government for adoption.

The Ministry shall publish the report referred to in paragraph 1 of this Article on its website.

The adopted report shall be submitted forthwith to the Energy Community Secretariat.

The Ministry shall prescribe the manner and methodology of preparation, as well as the content of the report referred to in paragraph 1 of this Article.

Preparing projections of greenhouse gas emission level

Article 68

Projections of anthropogenic emissions by sources and removals of greenhouse gases by sinks, classified by gas or group of gases, shall be prepared by the Administration Authority.

Notwithstanding paragraph 1 of this Article, the Administration Authority, for the purpose of preparing projections of anthropogenic emissions, may authorise a legal person with experience in preparing projections of greenhouse gas emissions level, based on a public call issued in accordance with the law governing the public procurement.

The projections referred to in paragraph 1 of this Article shall be prepared every two years.

The projections referred to in paragraph 1 of this Article, along with all relevant assessments of cost and the effects of policies and measures for limiting greenhouse gas emissions, including the relevant technical reports on which they are based, descriptions of the models and methodological approaches used, definitions, and key assumptions, shall be published by the Administration Authority on its website.

The Ministry shall submit projections of anthropogenic emissions by sources and removals of greenhouse gases by sinks, classified by gas or group of gases, to the Energy Community Secretariat by 15th March every second year.

In event of changes to the information submitted in accordance with paragraph 5 of this Article, the Ministry may submit updated information to the Energy Community Secretariat by 15th March of the year subsequent to the year in which the previous projections of anthropogenic emissions were made.

The Ministry shall prescribe the manner and methodology of preparing emission projections, the content of the projections report, the deadlines for preparing and submitting the projections, the publication of the projections and accompanying data.

Submission of reports to the European Commission

Article 69

Each year, the Ministry shall submit to the European Commission a report on the allocation of emission allowances, the functioning of emission allowance registries, the implementation of measures for monitoring and reporting, verification, and accreditation.

The Ministry shall submit to the European Commission a report on the implementation of the auction referred to in Article 45, paragraph 2 of this Law, particularly with regard to fairness and open character of access, transparency, price setting, as well as the technical and operational aspects of the auction.

The report referred to in paragraph 2 of this Article shall be submitted within 30 days from the date of the auction.

Reporting on the implementation of the Adaptation Strategy and measures for adaptation to climate change

Article 70

Reporting on the implementation of the Adaptation Strategy and on measures for adaptation to climate change shall be conducted in accordance with the provisions of the Paris Agreement.

The Ministry shall prepare the report referred to in paragraph 1 of this Article every two years and submit it to the Government for adoption.

The Ministry shall publish the report referred to in paragraph 1 of this Article on its website.

The adopted report shall be submitted to the Energy Community Secretariat by 15th March every second year, and to other international organisations in accordance with obligations arising from ratified agreements.

The Ministry shall prescribe the manner and methodology of monitoring and reporting, as well as the content of the report referred to in paragraph 1 of this Article.

Appointment of the working body

Article 71

For the purposes of monitoring the preparation of the reports referred to in Articles 63, 66, 67, and 70 of this Law, providing opinions on these reports, and participating in the review of these reports, a working body for inter-sectoral coordination for policies and measures for climate change mitigation and adaptation to climate change shall be established.

The Working Body referred to in paragraph 1 of this Article shall be established by a decision of the Government upon the proposal of the Ministry.

The chairperson and members of the Working Body referred to in paragraph 1 of this Article shall be appointed from among ranks of representatives of state administration authorities responsible for environmental protection, hydrometeorology, rescue and protection/disaster risk reduction, statistics, agriculture, fisheries, forestry, waste management, finance, water management, energy, industry, transport, infrastructure, spatial planning, nature protection, the sea, tourism, and health, local administration authorities, scientific, professional, public and other experts, employers' associations, representatives of civil society organisations active in the field of climate change, and representatives of youth.

The manner of work and decision-making process of the Working Body shall be regulated by the decision on its establishment.

The members of the Working Body shall be entitled to compensation for their work.

The compensation for the work referred to in paragraph 5 of this Article shall be provided from the funds referred to in Article 84, paragraph 3 of this Law.

The Ministry shall perform the administrative and technical tasks for the Working Body referred to in paragraph 1 of this Article.

VIII GEOLOGICAL STORAGE

Geological storage of carbon dioxide **Article 72**

Geological storage of carbon dioxide shall be prohibited in the territory of Montenegro, including its territorial waters, water bodies, exclusive economic zone, and the continental shelf.

The prohibition referred to in paragraph 1 of this Article shall also apply to planned geological storage of carbon dioxide in quantities of less than 100 kilotonnes in total, undertaken for the purpose of research, development, or testing of new products and processes, the storage of carbon dioxide in a geological space or storage complex that is predominantly located outside the territory of Montenegro, including its territorial waters, water bodies, exclusive economic zone, and the continental shelf, but which extends into these areas.

Cross-border transport of carbon dioxide for storage **Article 73**

Cross-border transport of carbon dioxide for the purpose of storage may be conducted through the territory of Montenegro if infrastructure for cross-border carbon dioxide transport has been established in accordance with the law.

Access to the transport network **Article 74**

The operator of an industrial installation shall have the right of access to the carbon dioxide transport network for the purpose of cross-border carbon dioxide storage.

Access to the carbon dioxide transport network shall be granted in a transparent and non-discriminatory manner, considering:

- the capacity of the transport network that is available or will certainly become available;
- the assessment of the reduction in carbon dioxide emissions intended to be achieved through carbon capture and carbon dioxide storage in relation to the total mandatory reductions;
- the obligation to refuse access if there are technical obstacles that cannot be overcome for justified reasons; and
- the need to respect the legitimate interests and reasonable requirements of the transport network operator and all other network users and relevant associated installations that may be affected by the granting of access.

The transport network operator may refuse a request for access to the network due to lack of capacity, with a detailed explanation.

The transport network operator who has refused a request for access to the network due to lack of capacity or lack of connection with a specific area shall be obliged to make the necessary improvements to the network if it is economically feasible or if the user is willing to pay for such improvements, provided that this will not have a negative impact on the safety of transport in terms of environmental protection.

The Ministry shall prescribe the detailed conditions for access to the transport network and criteria for the acceptance of carbon dioxide streams.

Disputes resolution**Article 75**

The disputes regarding access to transport networks and geological storage sites for carbon dioxide located outside Montenegro shall be resolved by an independent body that has access to all relevant information, considering the public interest and the number of parties that may be involved in access negotiations.

Cross-border disputes referred to in paragraph 1 of this Article shall be resolved in accordance with the applicable law of the state that has jurisdiction over the transport network or the geological storage site for carbon dioxide.

If jurisdiction over the transport network or the geological storage site for carbon dioxide is shared by multiple states, the participation and cooperation of all interested parties must be ensured.

Storage of carbon dioxide with thermal energy installations**Article 76**

Business undertakings that produce electricity in a thermal power installation with an output capacity of 300 MW or more shall be obliged to prepare a study on carbon dioxide capture and storage.

The study referred to in paragraph 1 of this Article shall include: the method of storage, the location where the carbon dioxide will be stored, the technical and economic feasibility of constructing infrastructure for carbon dioxide transport, and a description of the capture equipment.

If the study referred to in paragraph 1 of this Article shows that there is a suitable geological storage site for cross-border carbon dioxide storage and that the construction of installations, devices, and equipment for carbon dioxide capture and cross-border transport is economically justified, the operator of the thermal power installation shall be obliged to allocate appropriate space for carbon dioxide capture and compression equipment.

The study referred to in paragraph 1 of this Article shall form an integral part of the environmental impact assessment report and shall be approved in accordance with a special law.

IX SUBSTANCES THAT DEPLETE THE OZONE LAYER AND FLUORINATED GASES

Protection of the ozone layer**Article 77**

Gradual reduction and phasing out of the use of substances that deplete the ozone layer and fluorinated greenhouse gases shall be implemented through monitoring of the use of such substances, the prohibition of the use of products and equipment that contain or depend on such substances, the reduction of leakages from products, the collection and destruction of such substances, and other measures that cost-efficiently contribute to the protection of the ozone layer in accordance with this Law.

The production, placing on the market, use, import, and export, restricting import and export of substances that deplete the ozone layer and fluorinated greenhouse gases, as well as equipment and products that contain them or are produced using such substances and gases, the gradual reduction in the consumption of these substances,

gases, equipment, and products, the manner of determining annual import quotas and deadlines for their phasing out, as well as exemptions from import restrictions for specific purposes, the handling of substances that deplete the ozone layer and fluorinated greenhouse gases, the handling of equipment and products that contain them or are produced using such substances and gases, the handling of such substances and gases after the end of use of the products containing them, the manner of their collection, use, recycling, regeneration, permanent removal and destruction, leakages checks, labelling of substances and gases, equipment and products, reporting, record-keeping and web applications regarding their consumption, use, import, export, placing on the market, the method for calculating the costs of collection, recycling, and reclamation of such substances and gases, as well as the list of substances that deplete the ozone layer and fluorinated greenhouse gases, shall be prescribed by the Government.

Permits for import or export of substances that deplete the ozone layer and fluorinated gases

Article 78

Import or export of substances that deplete the ozone layer and fluorinated greenhouse gases shall be conducted only on the basis of a permit issued by the Administration Authority.

The Administration Authority shall keep records of the issued permits referred to in paragraph 1 of this Article.

A legal person or entrepreneur importing substances that deplete the ozone layer and fluorinated greenhouse gases shall be obliged to sell such substances and gases only to legal persons/entrepreneurs holding the permit referred to in Article 79, paragraph 1 of this Law.

The Ministry shall prescribe detailed manner, conditions, and required documentation for issuing the permit referred to in paragraph 1 of this Article, and the content of the records referred to in paragraph 2 of this Article.

Obligations of legal persons and entrepreneurs

Article 79

The activity of installing, maintaining, and/or repairing, as well as decommissioning equipment and products that contain substances that deplete the ozone layer, fluorinated greenhouse gases, or alternative substances may be conducted by legal persons and entrepreneurs on the basis of a permit issued by the Administration Authority.

Collected substances that deplete the ozone layer and fluorinated greenhouse gases, which cannot be recycled in the process of maintaining and/or repairing products and equipment, and which are collected when decommissioning products and equipment, shall be handed over to a legal person holding a permit from the Administration Authority to carry out the activity of recovery, recycling, and/or reclamation of substances that deplete the ozone layer and fluorinated greenhouse gases.

The permits referred to in paragraphs 1 and 2 of this Article shall be issued for a period of five years.

The Administration Authority shall revoke permits referred to in paragraphs 1 and 2 of this Article if the legal person ceases to fulfil stipulated conditions.

The Administration Authority shall keep records of issued permits referred to in paragraphs 1 and 2 of this Article.

The Ministry shall prescribe detailed manner, conditions, and required documentation for issuing the permits referred to in paragraphs 1 and 2 of this Article.

Records and submission of data

Article 80

The legal person that imports or exports substances that deplete the ozone layer, fluorinated greenhouse gases, and alternative substances, as well as products and equipment containing fluorinated gases, shall keep records of the import or export of substances, gases, products, and equipment, and shall submit the data from the records to the Administration Authority in the manner and within the deadlines specified by the regulation referred to in Article 77, paragraph 2 of this Law.

The legal person/entrepreneur referred to in Article 79, paragraph 1 of this Law shall keep records of collected substances and gases and their handling and shall submit the data from these records to the Administration Authority in the manner and within deadlines specified by the regulation referred to in Article 77, paragraph 2 of this Law.

The legal person/entrepreneur, or the user or owner of products and equipment containing substances that deplete the ozone layer, fluorinated greenhouse gases, and alternative substances, shall be obliged to report these products and equipment to the Administration Authority in the manner and within the deadlines specified by the regulation referred to in Article 77, paragraph 2 of this Law.

Professional training

Article 81

A person engaged in the activities of installation, maintenance and/or repair, leakages checks, as well as decommissioning of equipment and products containing substances that deplete the ozone layer, fluorinated greenhouse gases, or alternative substances, shall be obliged to complete a training and pass a professional exam for performing the specified activities in the manner and according to the professional training programme (hereinafter referred to as: the Programme).

The costs of organising the training and taking the professional exam shall be borne by the training participant.

A legal person that meets the prescribed requirements in terms of personnel, equipment, and premises may conduct the implementation of the training programme and professional exam.

The Administration Authority shall determine the fulfilment of conditions referred to in paragraph 3 of this Article, and shall issue the consent for the implementation of the Programme.

The consent referred to in paragraph 4 of this Article shall be issued for a period of five years.

The Administration Authority shall revoke the consent referred to in paragraph 5 of this Article if it was issued based on false or inaccurate information, if the legal person no longer meets the prescribed requirements, or if the training is not conducted according to the Programme referred to in paragraph 1 of this Article.

The legal person referred to in paragraph 3 of this Article shall issue an attestation of completed training and passed professional exam.

The Administration Authority shall issue a Certificate of professional competence to the person referred to in paragraph 1 of this Article based on the attestation referred to in paragraph 7 of this Article.

The Certificate referred to in paragraph 8 of this Article shall be issued for a period of five years.

The Administration Authority shall keep records of issued certificates referred to in paragraph 8 of this Article.

The Administration Authority shall keep records of legal persons implementing the training Programme and taking the professional exam.

The content of the Programme referred to in paragraph 1 of this Article, its duration, conditions for attending the Programme, the manner of taking the professional exam, requirements regarding personnel, equipment, and premises, the composition of the exam commission, the documentation to be submitted with the exam application, the cost of training and taking the exam, levels of professional training, conditions for issuing and renewing the certificate, and its form shall be prescribed by the Ministry, with the prior opinion of the state administration authority in charge of the education.

Prohibitions Article 82

It shall be prohibited to:

- 1) produce the substances that deplete the ozone layer;
- 2) import and/or export of substances that deplete the ozone layer, fluorinated greenhouse gases, or products containing substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer and amendments thereof, from countries or to countries that are not signatories of the Protocol;
- 3) import and/or export of substances that deplete the ozone layer and fluorinated greenhouse gases without a permit from the Administration Authority;
- 4) import and place on the market new and used products and equipment containing substances that deplete the ozone layer or are produced with them;
- 5) release the substances that deplete the ozone layer and fluorinated greenhouse gases into the environment;
- 6) charge the systems that use fluorinated greenhouse gases with substances that deplete the ozone layer;
- 7) rinse with substances that deplete the ozone layer;
- 8) import and place on the market the substances that deplete the ozone layer and fluorinated greenhouse gases in single-use cylinders;
- 9) place on the retail market the substances that deplete the ozone layer and fluorinated greenhouse gases;
- 10) import used, recycled, and reclaimed substances that deplete the ozone layer.

Notwithstanding paragraph 1, item 10 of this Article, the import of used, recycled, and reclaimed substances that deplete the ozone layer shall be allowed when these substances originate from a reclamation installation.

X FINANCING

Funds for financing protection against the negative impact of climate change Article 83

Funds for climate change mitigation, adaptation to climate change, and ozone layer protection shall be provided from the Budget of Montenegro, the budgets of local self-government units, as well as from other sources in accordance with this Law.

The funds referred to in paragraph 1 of this Article shall be used for financing of:

- 1) obligations under international agreements;
- 2) measures and programmes for climate change mitigation;
- 3) measures and programmes for adaptation to climate change;
- 4) measures and programmes for ozone layer protection;
- 5) research and development in the field of greenhouse gas emissions reporting, and
- 6) expert and scientific research necessary to achieve the objectives of this Law.

Other sources referred to in paragraph 1 of this Article shall include: donations, loans, state aid, international assistance, as well as foreign investments intended for the ozone layer protection, climate change mitigation, and adaptation to climate change.

Funds from sales of emission allowances

Article 84

Financial funds collected from the sale of emission allowances through a public auction shall be deposited into a special account of the Eco-Fund.

Financial funds collected from the sale of emission allowances through a public auction shall be used for the following purposes:

- 1) reduction of greenhouse gas emissions from anthropogenic sources;
- 2) adaptation to climate change in vulnerable sectors;
- 3) financing renewable energy sources to achieve the objectives of increasing the share of renewable energy sources;
- 4) financing increase of carbon stocks in forests, sustainable use of forest resources, and wood products;
- 5) implementation of activities for protection and rescue / disaster risk reduction resulting from to climate change impacts;
- 6) encouraging the transition to low-emission transportation and increased use of public transport vehicles;
- 7) financing research and development aimed at climate change mitigation and adaptation to climate change;
- 8) financing research and development in the field of energy efficiency and clean technologies;
- 9) financing research and development in the field of greenhouse gas emissions reporting and reporting from the land use, land-use change, and forestry sector;
- 10) encouraging the improvement of energy efficiency in all energy consumption sectors;
- 11) support for planning and implementing just transition process in sectors most affected by the transition;
- 12) providing financial support for measures that contribute to reducing energy poverty;
- 13) financing other measures established in the action plans for the implementation of strategic documents prescribed by this Law.

Notwithstanding paragraph 1 of this Article, 10% of the financial resources obtained from the sale of emission allowances through a public auction shall be used for the development of activities of the Eco-Fund, covering the costs related to the administration of the emissions trading system, administrative tasks related to the emission allowance auction, the functioning of the Emission Allowance Registry, monitoring and reporting on emissions, and other technical tasks related to greenhouse gas emissions reporting, preparation of guidelines on fuel consumption and carbon

dioxide emissions referred to in Article 32 of this Law, as well as other activities related to climate change mitigation and adaptation to climate change.

The Ministry shall prepare the Plan for the use of funds referred to in paragraph 1 of this Article.

The Government shall adopt the plan referred to in paragraph 3 of this Article for a period of five years.

The Government may decide that up to 25% of the funds collected from the sale of emission allowances through a public auction in a given year shall be used for financial measures to support activities in sectors or subsectors considered to be exposed to significant risk of carbon leakage to third countries, due to the costs related to greenhouse gas emissions embedded in electricity prices, for the purpose of compensating those costs.

Eco-fees for the ozone layer

Article 85

Eco-fees shall be fees due to harmful impacts on the ozone layer that are paid on the "polluter pays" principle.

Legal persons/entrepreneurs importing substances that deplete the ozone layer and/or fluorinated gases shall be obliged to pay the eco-fees referred to in paragraph 1 of this Article.

The financial funds collected from the payment of the eco-fees shall be deposited into a special account of the Eco-Fund and shall be used to cover the costs of recovery, recycling, and/or reclamation or destruction of these substances and gases, as well as for replacing devices and equipment that use substances that deplete the ozone layer or fluorinated greenhouse gases with technologies or equipment that do not deplete the ozone layer and do not impact climate change.

The Government shall prescribe the amount, manner of calculation and payment of the fees referred to in paragraph 2 of this Article.

Fees for carbon dioxide emissions into the environment

Article 86

Legal persons and entrepreneurs that own or use individual stationary sources of carbon dioxide emissions as part of their activities, as well as stationary installations that are excluded from the emissions trading system referred to in Article 50 of this Law, shall pay a fee for the equivalent carbon dioxide emissions into the environment (CO₂(eq.)).

Notwithstanding paragraph 1 of this Article, the operator of a stationary installation that holds a greenhouse gas emission permit referred to in Article 19 of this Law and that is obliged to provide an emission allowance for each unit of equivalent carbon dioxide emissions it generates in accordance with Article 16 of this Law, shall not pay a fee for carbon dioxide emissions into the environment.

The fees referred to in paragraph 1 of this Article shall not apply to carbon dioxide (CO₂) emissions that result from:

- the combustion of biomass fuel;
- the combustion of biodegradable waste;
- the incineration of waste mud.

Financial resources collected from the payment of fees referred to in paragraph 1 of this Article shall be deposited into a special account of the Eco-Fund and shall be used

for climate change mitigation and adaptation projects, for which the Ministry issues consent.

The Government shall prescribe the detailed criteria and standards for determining the fee payers for equivalent carbon dioxide emissions into the environment (CO₂ (eq.)), detailed criteria and corrective coefficients for calculating the fee, exemptions from the fee payment, the method and deadlines for calculating and paying the fee.

Reporting on use of funds
Article 87

The Eco-Fund shall submit a report to the Ministry on the use of funds collected from the sale of emission allowances through a public auction by 30th April of the current year for the previous calendar year.

The Ministry shall submit the report on the use of funds referred to in paragraph 1 of this Article to the Government.

The Ministry shall submit the report referred to in paragraph 1 of this Article to the Energy Community Secretariat by 31st July of each year, and information on support to developing countries by 30th September of each year.

Users of funds
Article 88

The funds referred to in Article 84, paragraph 1 of this Law may be used by: the state administration authorities, local self-government authorities, business undertakings, other legal persons and entrepreneurs, non-governmental organisations, and citizens of Montenegro (hereinafter referred to as: the user).

The user must have its registered office or residence in Montenegro.

XI OVERSIGHT

Oversight powers
Article 89

The Ministry, other state administration authorities, and administration authorities shall oversee the implementation of this Law and regulations adopted pursuant to this Law, in accordance with the law.

Inspection oversight shall be conducted by environmental, market, customs, and maritime safety inspectors in accordance with this Law and the law governing inspection oversight.

Obligations and authorisations of the environmental inspector
Article 90

The environmental inspector, in performing inspection oversight duties, shall particularly control:

- 1) whether the operator of the stationary installation conducting operations or activities that lead to greenhouse gas emissions or the regulated entity has obtained a permit from the Administration Authority;
- 2) whether the operator of the stationary installation or the regulated entity meets the conditions established by the permit;

- 3) whether the operator of the stationary installation has changed the technical and technological characteristics of the installation, expanded the installation, increased or decreased the capacities, type of fuel, raw materials, or other substances used in the installation, and the input thermal power;
- 4) whether the operator of the stationary installation, the regulated entity, the aircraft operator, or the shipping company has established records and procedures for storing documentation on greenhouse gas emissions;
- 5) whether the operator of the stationary installation, the regulated entity, the aircraft operator, or the shipping company maintains documentation on greenhouse gas emissions for at least ten years;
- 6) whether the operator of the stationary installation, the regulated entity, the aircraft operator, or the shipping company regularly performs checks on the collection of data on greenhouse gas emissions in accordance with the plan for monitoring greenhouse gas emissions;
- 7) whether the ships arriving at, within or departing from a port under the jurisdiction of Montenegro or located within it carry on board a valid document of compliance;
- 8) handling of substances that deplete the ozone layer and fluorinated greenhouse gases, and products containing those substances and gases, or produced with them;
- 9) whether the import and/or export of substances that deplete the ozone layer and fluorinated greenhouse gases is conducted on the basis of a permit from the Administration Authority;
- 10) whether the activities of installation, maintenance, and/or repair, as well as decommissioning of equipment and products containing substances that deplete the ozone layer, fluorinated greenhouse gases, and alternative substance, are conducted with a permit from the Administration Authority;
- 11) whether the activity of recovery, recycling, and/or reclamation of substances that deplete the ozone layer and fluorinated greenhouse gases is conducted with a permit from the Administration Authority;
- 12) whether the persons conducting the activities of installation, maintenance, and/or repair, leakages checks, as well as decommissioning of equipment and products containing substances that deplete the ozone layer, fluorinated greenhouse gases, or alternative substances have completed training and passed a professional exam for performing the specified activities;
- 13) whether the legal person importing/exporting substances that deplete the ozone layer and fluorinated greenhouse gases has established records on the import/export of substances and gases;
- 14) whether the legal person/entrepreneur conducting the activities of installation, maintenance, and/or repair, as well as decommissioning of equipment and products, has established records on the collected substances and gases and their handling.

During the performance of inspection duties, the environmental inspector shall have the obligation to:

- 1) prohibit the operation of a stationary installation conducting activities or operations that lead to greenhouse gas emissions, or of a regulated entity if it is determined that the activity is being conducted without a permit from the Administration Authority;

- 2) order the operator of the stationary installation engaged in activities that release greenhouse gases, or the regulated entity to submit an application for obtaining a permit for greenhouse gas emissions if it has not been provided;
- 3) order the operator of the stationary installation, the regulated entity, the aircraft operator, or the shipping company, to monitor greenhouse gas emissions in the manner established by the monitoring plan;
- 4) order the operator of the stationary installation, the regulated entity, the aircraft operator, or the shipping company, to establish records and procedures for storing documentation on greenhouse gas emissions;
- 5) order the operator of the stationary installation, the regulated entity, the aircraft operator, or the shipping company, to maintain documentation on greenhouse gas emissions for at least ten years;
- 6) order the operator of the stationary installation, the regulated entity, the aircraft operator, or the shipping company, to regularly conduct the control of data collection on greenhouse gas emissions in accordance with the monitoring plan, or the aircraft monitoring plan;
- 7) prohibit the handling of substances that deplete the ozone layer and fluorinated greenhouse gases, as well as products and equipment that contain these substances and gases or are produced using them, contrary to this Law;
- 8) prohibit the production of substances that deplete the ozone layer;
- 9) prohibit the import and/or export of substances that deplete the ozone layer and fluorinated greenhouse gases without a permit from the Administration Authority;
- 10) prohibit the import and placing on the market of new and used products and equipment that contain substances that deplete the ozone layer or have been produced using such substances;
- 11) prohibit the release of substances that deplete the ozone layer and fluorinated greenhouse gases into the environment;
- 12) prohibit charging of systems that use fluorinated greenhouse gases with substances that deplete the ozone layer;
- 13) prohibit rinsing with substances that deplete the ozone layer;
- 14) prohibit import and placing on the market of substances that deplete the ozone layer and fluorinated greenhouse gases in single-use cylinders;
- 15) prohibit placing for retail sale of substances that deplete the ozone layer and fluorinated greenhouse gases;
- 16) prohibit import of used, recycled, and reclaimed substances that deplete the ozone layer;
- 17) prohibit activities of installation, maintenance and/or repair, leakages checking, as well as decommissioning of equipment and products that contain substances which deplete the ozone layer, fluorinated greenhouse gases, or alternative substances, by persons who have not completed training and passed the professional examination for performing these activities, in the manner and according to the professional training programme;
- 18) prohibit activities of installation, maintenance and/or repair, as well as decommissioning of equipment and products that contain substances which deplete the ozone layer, fluorinated greenhouse gases, or alternative substances without a permit from the Administration Authority;

- 19) prohibit activities of recovery, recycling and/or reclamation of substances that deplete the ozone layer and fluorinated greenhouse gases without a permit from the Administration Authority;
- 20) order the legal person that imports/exports substances that deplete the ozone layer and fluorinated greenhouse gases to establish a record on the import/export of such substances and gases;
- 21) order the legal person, or entrepreneur, which conducts the activities of installation, maintenance and/or repair, as well as decommissioning of equipment and products, to establish a record on the collected substances and gases and the related handling;
- 22) order the legal person, the entrepreneur, or the user or owner of products and equipment that contain substances that deplete the ozone layer and fluorinated greenhouse gases, and alternative substances to report such products and equipment to the Administration Authority in the manner and within the deadlines prescribed by the regulation referred to in Article 79, paragraph 2 of this Law.

Obligations and powers of the market inspector

Article 91

In performing inspection oversight, in addition to the powers established by the law governing inspection oversight and other special laws, the market inspector shall have the obligation and power to:

- 1) determine whether the seller who places on the market or leases new passenger vehicles has made available, in a clearly visible manner at the point of sale or lease, information on fuel consumption and carbon dioxide emissions for each model of a new passenger vehicle;
- 2) determine whether the legal person and the entrepreneur who places on the market or leases new passenger vehicles has, at its own expense, provided a guide on fuel consumption and carbon dioxide emissions;
- 3) determine whether the legal person and the entrepreneur who places on the market or leases new passenger vehicles has ensured that all promotional literature contains information on fuel consumption and carbon dioxide emissions of the new passenger vehicle model to which it refers;
- 4) determine whether there are labels, symbols, or inscriptions relating to fuel consumption or carbon dioxide emissions on vehicle labels (stickers), posters, or displays at points of sale, or in guides on fuel consumption and carbon dioxide emissions, or in other promotional literature and materials, that could mislead potential buyers of new passenger vehicle models;
- 5) order that information on fuel consumption and carbon dioxide emissions be made available at the point of sale for each model of passenger vehicle, in the prescribed manner;
- 6) determine whether a carbon dioxide emissions check has been conducted for a used vehicle being placed on the market for the first time in Montenegro;
- 7) determine whether information on carbon dioxide emissions is available for each used vehicle at the point of sale;

Obligations and powers of the customs inspector

Article 92

During the performance of duties the customs inspector shall have the obligation to control whether the import and/or export of substances that deplete the ozone layer and fluorinated gases is conducted with a permit from the Administration Authority.

If the customs inspector, during the control referred to in paragraph 1 of this Article, determines irregularities, he shall have the right to:

- 1) prohibit the import and/or export of substances that deplete the ozone layer and fluorinated greenhouse gases by a legal person and/or entrepreneur who does not possess a permit from the Administration Authority;
- 2) prohibit the import and placing on the market of new and used products and equipment that contain substances which deplete the ozone layer or have been produced using such substances;
- 3) prohibit the import and placing on the market of substances that deplete the ozone layer and fluorinated greenhouse gases in single-use cylinders;
- 4) prohibit the import of used, recycled, and reclaimed substances that deplete the ozone layer.

Obligations and powers of the maritime safety inspector

Article 93

During the performance of duties, the maritime safety inspector shall also check, in accordance with the law, whether there is a valid document of compliance onboard the vessel.

In carrying out inspection overnight, in addition to the powers established by the law governing inspection overnight and other special laws, the maritime safety inspector shall have the right to:

- 1) if the ship sailing under the flag of an European Union Member State and enters one of the ports of Montenegro or is found in one of its ports, after allowing the respective shipping company to make a statement, detain the ship until the shipping company fulfils its monitoring and reporting obligations;
- 2) if a ship sailing under the flag of a country that is not a member of the European Union failed to fulfil the obligations of monitoring and reporting during two or more consecutive reporting periods and if compliance has not been ensured by other enforcement measures, after allowing the shipping company to make a statement, issue an expulsion order about which it shall inform the European Maritime Safety Agency (EMSA) and the flag state of the ship;
- 3) if the shipping company failed to fulfil the obligation to surrender emission allowances during two or more consecutive reporting periods and if compliance has not been ensured by other enforcement measures, after allowing the shipping company to make a statement, issue an expulsion order, about which it shall inform the European Commission, the European Maritime Safety Agency (EMSA), other European Union Member States, and the flag state of the ship;
- 4) if the ship sailing under the flag of Montenegro and enters one of its ports or finds itself in one of its ports, after allowing the shipping company to make a statement, detain the ship until the shipping company fulfils the obligation to surrender emission allowances;
- 5) due to the issuance of an expulsion order, except for ships flying under the flag of Montenegro, ships under the responsibility of the shipping company that have

not fulfilled the obligation to surrender emission allowances, prohibit the entry into ports in Montenegro until the shipping company fulfils its obligation to surrender emission allowances;

- 6) due to the issuance of an expulsion order, prohibit the entry of the ship into ports in Montenegro until the shipping company fulfils its obligations of monitoring, reporting and/or surrendering emission allowances.

XII PENALTY PROVISIONS

Pecuniary penalties

Article 94

A pecuniary penalty in the amount ranging from 2,000 euro to 40,000 euro shall be imposed on the legal person if:

- 1) fails to notify the Administration Authority, within 60 days prior to the occurrence of changes, about planned changes related to the technical and technological characteristics of the installation, increase or decrease of capacity, types of fuel, raw materials or other substances used in the installation, input thermal power, name and the registered office of the stationary installation operator (Article 19, paragraph 1);
- 2) fails to submit modified monitoring plan in the case referred to in Article 19, paragraph 1 (Article 19, paragraph 2);
- 3) fails to notify the Administration Authority by 31st December of each year in the event of partial termination of operation of the installation (Article 20, paragraph 4);
- 4) fails to submit updated plans for monitoring greenhouse gas emissions for approval to the Administration Authority (Article 21, paragraph 9);
- 5) fails to inform the Administration Authority of any planned changes to the nature of its activities or the fuel it releases for consumption, which may require an amendment to the permit, no later than by 31st December of the current year (Article 21, paragraph 10);
- 6) fails to prepare and submit for approval to the Administration Authority a greenhouse gas emissions monitoring plan for aircraft at the latest four months before commencing the operations, and after obtaining the operating license (Article 22, paragraph 1);
- 7) fails to monitor greenhouse gas emissions in accordance with the approved plan for monitoring greenhouse gas emissions (Article 24, paragraph 1);
- 8) fails to submit for approval to the Administration Authority the plan for monitoring greenhouse gas emissions no later than four month before commencing the activity (Article 24, paragraph 2);
- 9) fails to improve the methodology for monitoring of greenhouse gas emissions and to make changes to the plan for monitoring greenhouse gas emissions accordingly (Article 24, paragraph 6);
- 10) fails to notify the Administration Authority without delay about proposals for modifications of the plan for monitoring greenhouse gas emissions (Article 25, paragraph 2);
- 11) fails to submit the modified plan for monitoring greenhouse gas emissions with accompanying documentation to the Administration Authority by 31st

December of the current year in the event referred to in Article 25, paragraph 3 of this Law;

- 12)fails to submit the modified plan for monitoring greenhouse gas emissions with accompanying documentation without delay to the Administration Authority for approval in the event referred to in Article 25, paragraph 4 of this Law;
- 13)fails to use only the data related to the modified plan for monitoring greenhouse gas emissions and fails to conduct all monitoring and reporting using only the modified plan for monitoring greenhouse gas emissions from the date on which that version of the plan for monitoring greenhouse gas emissions becomes applicable, after obtaining approval (Article 25, paragraph 6);
- 14)fails to maintain a record of all modifications of the plan for monitoring greenhouse gas emissions (Article 25, paragraph 8);
- 15)fails to prepare and submit for approval to the Civil Aviation Agency a plan for monitoring carbon emissions from aircraft and/or report on carbon emissions from aircrafts for the purposes of the Carbon Offsetting and Reduction Scheme for International Aviation – CORSIA in accordance with ICAO Annex 16, Volume IV (Article 27);
- 16)fails to notify the Administration Authority without delay about exceeding the threshold referred to in Article 28, paragraph 2 of this Law during any calendar year (Article 28, paragraph 6);
- 17)fails to submit a significant modification of the monitoring plan to the Administration Authority for approval without delay (Article 28, paragraph 7);
- 18)fails to prepare a monitoring plan for greenhouse gas emissions and fails to report thereof (Article 29, paragraph 1);
- 19)fails to monitor and report on relevant parameters for each of its vessels during the reporting period and fails to apply this in all ports under the jurisdiction of Montenegro and for all voyages to or from ports of call under the jurisdiction of Montenegro as well as within ports of call under the jurisdiction of Montenegro (Article 29, paragraph 2);
- 20)fails to submit a monitoring plan for emissions from vessels for each of its vessels to an accredited verifier, specifying the method for monitoring greenhouse gas emissions and other information in accordance with this Law, within two months after the first arrival of each vessel at a port under the jurisdiction of Montenegro (Article 30, paragraph 1);
- 21)fails to submit the monitoring plan for emissions from vessels for each of its vessels to the Administration Authority, for which the Verifier has assessed compliance with this Law (Article 30, paragraph 8);
- 22)fails to check at least once a year whether the monitoring plan for emissions from vessels reflects the nature and operation of the vessel and if the monitoring methodology can be improved, and based on that, make modifications of the monitoring plan (Article 30, paragraph 11);
- 23)fails to modify the monitoring plan for emissions from vessels in cases referred to in Article 30, paragraph 12 of this Law;
- 24)fails to notify the Verifier without delay of any proposed modifications of the monitoring plan for emissions from vessels (Article 30, paragraph 13);

- 25)fails to submit the modified monitoring plan for emissions from vessels to the Administration Authority after receiving notification from the Verifier that the monitoring plan is compliant (Article 30, paragraph 16);
- 26)fails to make available information on fuel efficiency consumption and carbon dioxide emissions for each model of passenger vehicle in a clearly visible manner at the point of sale or lease of a new passenger vehicle or its vicinity (Article 32, paragraph 1);
- 27)fails to ensure that for each make of a car, a poster (or alternatively, a display) is exhibited with a list of data on the official fuel consumption and official specific carbon dioxide emission of all new passenger vehicle models displayed or offered for sale or lease at the point of sale (Article 32, paragraph 5);
- 28)fails to ensure that all promotional literature contains data on the official fuel consumption and official specific carbon dioxide emission of the passenger vehicle to which it refers (Article 32, paragraph 6);
- 29)includes information that could mislead potential buyers of new passenger vehicles in the labels (stickers) on vehicles, posters or displays placed at points of sale, the guide on fuel consumption and carbon dioxide emissions, and other promotional literature and materials referred to in Article 32, paragraph 2 of this Law (Article 32, paragraph 7);
- 30)fails to provide a copy of the guide referred to in Article 30, paragraph 2 of this Law to persons purchasing or leasing vehicles, free of charge (Article 32, paragraph 9);
- 31)fails to submit the verified report to the Administration Authority by 31st March of the current for the previous year (Article 33, paragraph 1);
- 32)fails to submit the verified report by 30th April of the current for the previous year (Article 33, paragraph 2);
- 33)in the cases referred to in Article 33, paragraph 3 of this Law, fails to submit, without delay, to the Administration Authority the Verified Report for the period from 1st January of the current year until the date of termination of operations;
- 34)fails to report once a year on the effects of aviation not related to carbon dioxide emissions (Article 33, paragraph 5);
- 35)fails to enable access to the internal verification documentation and other relevant information in order to verify the verified report, upon a request of the Administration Authority (Article 33, paragraph 8);
- 36)fails to submit to the Administration Authority all necessary documentation for the purpose of preparing a conservative assessment within eight days from the day the request is submitted (Article 34, paragraph 3);
- 37)fails to submit, upon request of the Verifier, all documentation related to the operation of the installation, the activities of the regulated entity, or the aircraft that is necessary for the verification of the report (Article 35, paragraph 3);
- 38)in the case referred to in Article 35, paragraph 5 of this Law, fails to submit the modified plan for monitoring greenhouse gas emissions to the Administration Authority for approval in accordance with Article 24 of this Law (Article 35, paragraph 6);
- 39)fails to submit a report on improvement to the Administration Authority for approval, if the verified report states non-compliance and recommendations

for improvement, within the deadline and in the manner stipulated in Article 35, paragraphs 10 and 12 of this Law;

40) trades with emission allowances and transfers them without obtaining a positive verified report (Article 35, paragraph 13);

41) fails to submit the internal verification documentation and the verified report to an independent auditor before issuing the Verified Report (Article 36, paragraph 1);

42) performs verification activities that are subject to its own audit (Article 36, paragraph 4);

43) fails to submit the annual greenhouse gas emissions report and other relevant information to the Administration Authority for the entire reporting period for each vessel under its responsibility that has been verified as satisfactory by the Verifier (Article 38, paragraph 3);

44) fails to submit, within the prescribed deadline, to the Administration Authority, a report on consolidated emissions data at the company level, covering emissions during the reporting period of the previous year related to maritime transport activities for all vessels under its responsibility, and which has been verified in accordance with this Law (Article 38, paragraph 4);

45) if there is a change in the shipping company, the previous shipping company fails to submit to the Administration Authority, the competent authority of the flag state for ships sailing under the flag of the European Union Member State and the new shipping company a verified report on greenhouse gas emissions on the date as close as possible to the end date of the change, but no later than within three months of the change, which includes the same elements as the report on emissions referred to in Article 35, paragraph 3 of this Law, for the period corresponding to the activities carried out under its responsibility (Article 38, paragraph 11);

46) fails to carry on board of a vessel arriving at a port or departing from a port under the jurisdiction of Montenegro or within a port located within and which have carried out voyages during that reporting period, a valid document of compliance by 30th June of the year following the end of a reporting period (Article 39, paragraph 4);

47) fails to establish records and procedures for storing documentation on greenhouse gas emissions (Article 43, paragraph 1);

48) fails to keep documentation on greenhouse gas emissions for at least ten years (Article 43, paragraph 2);

49) fails to collect regularly and fails to control the collection of data on greenhouse gas emissions in accordance with the monitoring plan (Article 43, paragraph 3);

50) fails to notify the Administration Authority by 15th January of each year about any change related to the operation of the installation in the previous calendar year that affects the allocation of emission allowances to the installation (Article 45, paragraph 11);

51) fails to submit to the Administration Authority data for the preparation of the greenhouse gas inventory in accordance with the annual data collection plan for the inventory (Article 63, paragraph 8);

52) in the cases referred to in Article 74, paragraph 4 of this Law, fails to conduct necessary improvements to the network if it is economically feasible or if the user is willing to pay for such improvements;

- 53) in the case referred to in Article 76, paragraph 3 of this Law, fails to provide adequate space for carbon dioxide capture and compression equipment (Article 76, paragraph 3);
- 54) fails to establish the records on the import or export of substances, gases, products and equipment, and fails to submit the data from the records to the Administration Authority in the manner and within the deadlines specified by the regulation referred to in Article 77, paragraph 2 of this Law (Article 80, paragraph 1);
- 55) fails to establish the records on collected substances and gases and their handling, and fails to submit the data from the records to the Administration Authority in the manner and within the deadlines specified by the regulation referred to in Article 77, paragraph 2 of this Law (Article 80, paragraph 2);
- 56) fails to report to the Administration Authority products and equipment that contain substances that deplete the ozone layer, fluorinated greenhouse gases, and alternative substances, in the manner and within the deadlines established by the regulation referred to in Article 77, paragraph 2 of this Law (Article 80, paragraph 3);
- 57) imports and/or exports fluorinated greenhouse gases or products containing substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer and amendments thereof, from countries or to countries that are not signatories of the Protocol (Article 82, paragraph 1, indent 2);
- 58) releases the fluorinated greenhouse gases into the environment (Article 82, paragraph 1, indent 5);
- 59) imports and places on the market the fluorinated greenhouse gases in single-use cylinders (Article 81, paragraph 1, indent 8);
- 60) places on the retail market the fluorinated greenhouse gases (Article 82, paragraph 1, indent 9);
- 61) fails to submit the report on the use of proceeds collected from the sale of emission allowances via public auction to the Ministry by 30th April of the current year for the previous calendar year (Article 87, paragraph 1).

A pecuniary penalty in the amount ranging from 500 euro to 4,000 euro shall also be imposed on the responsible person in the legal person for the misdemeanours referred to in paragraph 1 of this Article.

A pecuniary penalty in the amount ranging from 2,000 euro to 12,000 euro shall also be imposed on an entrepreneur for the misdemeanours referred to in paragraph 1 of this Article.

A pecuniary penalty in the amount ranging from 500 euro to 4,000 euro shall also be imposed on a natural person or the bankruptcy administrator for the misdemeanours referred to in paragraph 1, items 14 and 33 of this Article.

Pecuniary penalties for responsible person

Article 95

A pecuniary penalty ranging from 30 euro to 2,000 euro shall be imposed for the misdemeanour on the responsible person in a state administration authority, administration authority, local administration authority, and the holder of public authorisations, if:

- 1) fails to issue a permit within a maximum of 60 days from the receipt of a complete application (Article 18, paragraph 1);

- 2) fails to submit the aircraft emissions monitoring plan to the Administration Authority for opinion (Article 26, paragraph 1);
- 3) fails to submit the opinion referred to in Article 26, paragraph 1 of this Law within 30 days from the day of receipt of the aircraft emissions monitoring plan (Article 26, paragraph 2);
- 4) fails to approve the aircraft emissions monitoring plan within 15 days from the receipt of the positive opinion of the Civil Aviation Agency (Article 26, paragraph 5);
- 5) fails to submit to the Ministry the report on the surveillance over the work of the verifier for the previous year by 1st June of the current year (Article 58, paragraph 1);
- 6) fails to notify the Ministry about the suspension, withdrawal, or reduction in the scope of the Verifier's accreditation or the termination of the suspension or changes to the decision regarding the suspension, withdrawal, or reduction in the scope of accreditation based on an appeal (Article 59, paragraph 5);
- 7) fails to submit to the Accreditation Body the information referred to in Article 61, paragraph 2 of this Law;
- 8) fails to submit data to the Administration Authority in accordance with the annual data collection plan for preparing the inventory (Article 63, paragraph 8);
- 9) fails to prepare a quality assurance and data quality control plan and submit it to the Ministry for consent by 15th December of the current year (Article 63, paragraph 9);
- 10) fails to submit to the Administration Authority data in accordance with obligations referred to in Article 65, paragraphs 1 and 2 this Law;
- 11) fails to prepare projections of anthropogenic emissions by sources and removals of greenhouse gases by sinks, classified by gas or group of gases (Article 68, paragraph 1).

XIII TRANSITIONAL AND FINAL PROVISIONS

Deadline for Adoption of Enabling Regulations

Article 96

The enabling regulations for the implementation of this Law shall be adopted within 18 months from the date of entry into force of this Law.

The enabling regulations referred to in Articles 15, 21, 24, 25, 28, 33, 34, 35, 43, 45, 48, 49, 53, 58, 62, and 63 of this Law shall be adopted by 31 December 2025.

The regulations adopted pursuant to the Law on Protection from the Negative Impacts of Climate Change ("Official Gazette of Montenegro". No. 73/19) shall be applicable, unless they are in conflict with the provisions of this Law, until the regulations referred to in paragraph 1 of this Article are adopted.

The deadline for adoption of the Strategy

Article 97

The Low Carbon Development Strategy shall be adopted within 12 months from the day of entry into force of this Law.

Initiated proceedings**Article 98**

Procedures initiated before the entry into force of this Law shall be finalised in accordance with the regulations that were in effect until the date of entry into force of this Law.

Validity period of permits and the deadline for taking the professional exam**Article 99**

Permits issued in accordance with the provisions of the Law on Protection from the Negative Impacts of Climate Change ("Official Gazette of Montenegro", No. 73/19) shall remain valid until the expiration of the period for which they were issued.

Notwithstanding paragraph 1 of this Article, operators of stationary installations to which permits were issued in accordance with the provisions of the Law on Protection from the Negative Impacts of Climate Change ("Official Gazette of Montenegro", No. 73/19) shall be obliged to submit an application for the issuance of a permit in accordance with this Law within three months from the date of entry into force of this Law.

Aircraft operators for which the aircraft emissions monitoring plan was approved in accordance with the provisions of the Law on Protection from the Negative Impacts of Climate Change ("Official Gazette of Montenegro", No. 73/19) shall be obliged to submit for approval the aircraft emissions monitoring plan in accordance with this Law within three months from the date of entry into force of this Law.

Regulated entity that performed an operation or activity resulting in the emission of greenhouse gases, prior to the date of entry into force of this Law, shall be obliged to submit an application for a issuing a permit in accordance with this Law within six months from the date of entry into force of this Law.

Persons who completed training for the proper handling and servicing of refrigeration and air conditioning systems before the entry into force of this Law shall be obliged to pass the professional exam referred to in Article 81, paragraph 1 of this Law within 12 months from the date of entry into force of the regulation referred to in Article 81, paragraph 12 of this Law.

Validity of Emission Allowances**Article 100**

Free emission allowances allocated pursuant to the Law on Protection from the Negative Impacts of Climate Change ("Official Gazette of Montenegro", No. 73/19) shall cease to be valid on 1 May 2026.

Deferred Application**Article 101**

Provisions of Article 30, paragraph 10, Article 38, paragraph 4, Articles 40 and 47, Article 51, paragraph 1, Articles 69, 73, 74, and 75, and Article 93, paragraph 2 of this Law shall apply from the date of accession of Montenegro to the European Union.

Competent authorities after joining the European Union**Article 102**

After Montenegro joins the European Union, all rights and obligations of the Ministry stipulated by this Law in respect of the Energy Community shall refer to the European Union.

**Repeal
Article 103**

The Law on Protection from the Negative Impacts of Climate Change (Official Gazette of Montenegro, No. 73/19) shall be repealed on the date of entry into force of this Law.

**Entry into force
Article 104**

This Law shall enter into force on the eighth day following the date of its publication in the Official Gazette of Montenegro.

Number: 27-1/25-7/10
EPA 690 XXVIII
Podgorica, 11 December 2025

The 28th Parliament of Montenegro
Speaker of the Parliament
Andrija Mandić, m.p.