Frea Project

Joint Action plan - Activity 1.5

**“*Model of intervention - Toolbox*”**

Model step

ENTERPRISE CREATION QUICK REFERRAL GUIDE

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# Model step

A standard model based on financial advice documents, enterprise creation quick referral guide, synthesis on funding opportunities, communication tips&tricks, project management templates, handbook for actors will be developed. The set of tools will form a complete “toolbox”. In this document you will find a Guide on Enterprise creation, with a particular focus on tourism enterprises and professions.

# ENTERPRISE CREATION QUICK REFERRAL GUIDE

## 3.1 INTRODUCTION

There is a double thread linking entrepreneurial initiative with the destination of a tourist resort. The ability to identify and seize development opportunities is fostered by a fertile soil, where there are important tourist flows, but also stimulated by an open and welcoming local culture. Business initiative can transform and create new destinations. In this close and fascinating relation the future and well-being of many places are at stake. Although the chances of starting up new businesses are, on other terms, higher in destinations in growth phases or in destinations which attract substantial tourist flows, it is also true that the identification of opportunities and the ability to build and start an economic activity can also be expressed in contexts not fully favourable or in destinations that are at a standstill or contraction of such flows.

The enterprise is the engine of economic and social development in a territory. It is the only activity capable not only of producing wealth but of «putting it back into circulation». But, above all, it is the only activity that makes it possible to promote people through the offer of new job opportunities. However, to start a business it is necessary to make precise procedural and fiscal formalities. Before undertaking such a process, the prospective entrepreneur must carefully assess the feasibility of his business idea and the necessary organizational processes.

## 3.2 THE STEPS TO CREATE A NEW BUSINESS

**Setting up your own business: the entrepreneurial choice**

The meaning of «go into business for yourself» is not always clear. All self employment activities can be classified into two main categories:

- Business activities;

- Self employed activities.

Italian law does not define business activities as such, but rather as entrepreneurs: «An entrepreneur is anyone who carries out a professionally organized economic activity for the purpose of producing or exchanging goods and services» (art. 2082 C.C.).

Self-employed activities are defined as (Art. 2222 C.C.):

- the performance, against payment, of a work or service;

- with predominantly own work;

- without subordination to the customer.

The self-employed work differs from the enterprise mainly by the absence of a significant organization, that is to say, a company.

**Assessment of entrepreneurial skills**

When you have a business idea in mind, you need to ask yourself why you are starting that particular type of business.

The achievement of short-term profit cannot be the only driving force behind our idea. Other motivations, which act as a psychological fuel, must be seen in personal aspirations, professional achievement, social promotion and consensus, scientific and technological progress etc.

In any case, it is essential to be aware that starting a business will involve a radical change in one’s life habits.

In addition, the technical skills and competence of the individual should be examined. Therefore, it would be advisable to:

- Attend targeted vocational training courses;

- to carry out training placements in specialized companies;

- Seek partners who are experts in the field.

**The business idea**

The business idea must necessarily start from the creativity of the entrepreneur but above all from the knowledge of the environment in which it is intended to operate and the target market. A good business idea is only feasible when it aims to meet the needs of the consumer.

In any case, it should be clear in mind that:

- not all business ideas will prove to be successful;

- you must be prepared to abandon the business idea as easily as you fall in love with it;

- if there is a good business idea, one should not be under the illusion that it will be easy to implement.

Understanding how to start a new business project is a very complicated process that can often destabilize and create confusion in our minds. When we think about implementing a business idea, we must try to understand whether it can be feasible, innovative and useful in solving a real problem. In this process, starting from a good market analysis is crucial to understand whether our idea will be successful or not.

**Analysis of the context in which it operates**

As mentioned, it is necessary to carry out an analysis of the environment in which you intend to operate, from the political, institutional, economic, social, cultural etc. point of view and then to analyse the target market: a) customers; b) competitors; c) suppliers; d) commercial intermediaries. The target market is the market to which you should address your offer.

Market analysis is the systematic collection of data on the conditions of the target market and, therefore, the analysis of these data. This analysis allows:

- assess the potential of the good or service to be placed on the target market;

- define the launch modalities and price of the product/service;

- Analyse the competition to understand how to stand out and exploit the experience of those already in the market;

- Planning the business strategy and defining marketing actions;

- To check the effectiveness of distribution channels and commercial actions;

- measure customer satisfaction;

- Anticipate changes in the market and sector in which the company operates and be able to respond in a quick manner to changing conditions and new requirements of the target audience.

**Definition of the business idea**

The following questions need to be answered in order to define the business idea:

- What product or service do I want to offer?

- Is there a demand for my product or service?

- Who are my clients?

- Who are my competitors?

- Where is my customer located?

- What prices can I charge?

- What type of company organisation should I choose?

- How can I promote my product/service?

We can say that an idea is feasible when it proposes products or services actually required by the market; that once the market, sector, target group, competitors, consumer needs are known, the entrepreneur will have the ability to direct his business and will be able to establish the bases for a company that wants to function and consolidate over time, through the corporate strategies and the appropriate marketing and communication actions.

**Pre-feasibility check**

After answering the above questions, the risk factors of the business idea should be analysed in detail. In addition to the assessment of subjective factors (entrepreneurial spirit, personal attitudes and abilities), objective factors that influence the achievement of the target must be considered: competition, market, economic situation of the segment, location, financial coverage etc. Another key factor to consider is bureaucracy: permits, permits, certifications etc.

Starting from the idea, we must proceed by implementing a verification process. From the information gathered during the pre-feasibility analysis of the idea, it will be possible to draw up a business plan or business plan, which will serve as a test to see if it is really possible to start our idea.

The business plan allows us to verify whether our business idea would have a market and if the product or service we would like to offer could be purchased by the consumer and at what price. It will always be the target market (target), that is, the customer, who determines whether our idea is brilliant, innovative or not.

**Marketing strategies³**

The business idea must stand out from the competition: this can be achieved through unique marketing strategies, superior quality, technological innovation or exceptional customer service. The differentiating element is crucial to attract and retain loyal customers.

Designing a marketing strategy is essential for any type of business that wants to be competitive in the category of interest and build strong links with consumers.

The marketing strategy is an action plan that identifies and coordinates the achievement of business objectives, defines how to identify the target to be conquered and achieve a good competitive position. The development of marketing strategies includes 5 separate phases:

1. Market opportunities and segmentation

Opportunity analysis is carried out by studying the “Five Forces” of Prof. Porter (direct competitors, suppliers, customers, potential entrants, substitute producers) and carrying out a detailed SWOT analysis. Market segmentation, on the other hand, takes place considering the geographic, demographic, psychographic and behavioral variables of the target.

2. Target market definition and selection of best satisfied customers

Depending on the resources made available by the company, the production life cycle and the marketing strategies of the competitors, the choice of the target market definition strategy to be adopted depends on: differentiated marketing, undifferentiated marketing, concentrated marketing and micro-marketing.

3. Brand positioning

Differentiate your offer for each segment and define how and where to position yourself in the market of the sector you belong to. Starting from the creation of a unique, clear and simple value proposition, you must achieve an original brand positioning and recognizable in the eyes of consumers, who will then have to perceive differences with competitors. It is ideal to set the positioning on competitive advantage.

4. Marketing plan

Define the marketing mix (product, price, point of sale and distribution) for each product offered on the market, determining time and mode.

5. Control

Monitor and measure the results obtained against the objectives set, with the implementation of the marketing strategy and, if necessary, opt to modify, delete, add or improve the marketing actions, content and tools.

Marketing strategies that are considered to be successful:

- acquire new customers;

- increase conversions and sales;

- encourage customers to buy;

- support the launch of new products, services and advertising campaigns;

- achieve a strategic positioning of the brand in the market;

- Strengthen brand identity and voice tone;

- Strengthen customer loyalty.

In addition, in a well-structured corporate marketing strategy, the integrated communication activities and promotion of the brand and the offer proposed on the market that can reach and engage the target audience must not be missed.

The online and offline communication plans, most often determine the success of a market strategy, because it can transmit the coordinated corporate image, share the values and the brand philosophy, make live a sensory experience to the consumer, Thus promoting an increase in brand equity (value) and brand awareness (awareness).

**Organizing the company**

There is a need to clarify terms often used as synonyms:

- the enterprise is the activity carried out by the entrepreneur;

- the company is the necessary instrument for carrying out this activity: premises, furniture, machinery;

- the company is the trade name of the entrepreneur.

Each company is composed of four basic elements:

- material resources (premises, furniture, machinery, equipment, raw materials...);

- human resources (personnel);

- financial resources;

- technological resources and know-how.

The choices to be made regarding the company are numerous and delicate. In particular, it is necessary to establish:

- whether to build a new structure or acquire an existing one;

- what size to give it;

- where to locate it;

- how to organise inputs;

- which legal function to assume.

**Legal form**

The first important decision on legal form concerns the choice between working alone or in collaboration with other partners. There are several possibilities:

In order to carry out an entrepreneurial activity, it is necessary to identify yourself in one of the legal forms provided for by current legislation. An undertaking may be carried out in the form of:

* Sole Proprietorship (Entrepreneur)
* the limited liability companies;
* the public limited liability companies;
* the general partnerships;
* the limited liability partnerships

The choice must be made on the basis of several considerations related to subjective and objective aspects:

- number of promoters;

- nature of the activity carried out;

- size of the enterprise;

- availability of capital;

- the degree of responsibility that members intend to assume;

- taxation system;

- the possibility of special forms of financing and facilities.

Each legal form has its own advantages and cons-indications: there is no ideal legal form, the needs and characteristics of the activity to be carried out must be taken into account.

**The Business plan**

At this point it is necessary to start drawing up the real business plan, a document of fundamental importance for the new entrepreneur. A good business plan must be: concise but comprehensive; understandable even to non-experts in the field; credible, that is based on reasonable and easily verifiable forecasts; realistic, that is aware of the difficulties facing the company; complete information on expected financial returns and return on investment.

The following is an example of how a business plan could be structured.

|  |
| --- |
| 1. DATA AND PROFILE OF THE PROPOSER |

* 1. Personal data future legal representative project manager (Natural person n. 1)
* Surname
* name
* gender (M/F)
* fiscal code
* expected shares of the company (%)
* majority/minority shareholder
* expected position in the undertaking.

1.2 Personal data of natural person no. ...

* surname
* name
* gender (M/F)
* fiscal code
* expected shares of the company (%)
* majority/minority shareholder
* expected position in the undertaking.
	1. The curriculum profile of the Proposers

|  |
| --- |
| 2. LOCATION AND LEGAL CHARACTERISTICS OF THE FUTURE COMPANY |

2.1 Address, Municipality, Province of location and title of availability expected of the registered office.

2.2 Address, Municipality, Province of location and title of availability expected of the operating headquarters.

2.3 Name and legal form of the future company, type of activity, description and indication of the code Ateco.

|  |
| --- |
| 3. DESCRIPTION OF PROPOSED ACTIVITY |

3.1 Business idea.

3.2 Innovative elements of the business idea.

|  |
| --- |
| 4. MARKET ANALYSIS AND RELATED STRATEGIES |

4.1 Geographical area of reference.

4.2 Customers.

4.3 Competitors and competitive advantage.

4.4 Product/service.

4.5 Pricing, commercial and promotional strategies.

|  |
| --- |
| 5. DESCRIPTION OF THE TECHNICAL, PRODUCTION AND ORGANISATIONAL ASPECTS |

5.1 Production process.

5.2 Organisational structure (competences and roles, internal and external, covered in the various stages of the production process).

5.3 Sales targets for the first 3 years of activity with price specifications, units of measurement and assumed sales quantities for each product/service.

5.4 Investments to be made for the start-up of the business and characteristics of the suppliers.

5.5 Operating costs for the first 3 years of operation and supplier characteristics.

5.6 Table of investments and costs related to the start-up of the activity requested for funding and contribution requested:

|  |
| --- |
| INVESTMENT AND START-UP COSTS REQUIRED FOR FINANCING |
| TYPE OF EXPENDITURE | FUNCTIONALITY IN THE PRODUCTION PROCESS | QUOTE | EQUIPMENT NEW/USED | TAXABLE AMOUNT (€) | TOTAL AMOUNT (€) |
| a. Equipment, machines, process plants, connections (Cf. Art. 4, paragraph 1, letter a of the Notice) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total a |  |  |
| b. Computer programs (Cf. Art. 4, paragraph 1, letter b of the Notice) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total b |  |  |
| c. Intangible assets of multiannual utility (Cf. Art. 4, paragraph 1, letter c of the Notice) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total c |  |  |
| d. Renovations of buildings (eligible expenditure up to a maximum of 30% of the value of the sum of the eligible investments referred to in letters a+b+c - Cf. Art. 4, paragraph 1, letter d of the Notice) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total d |  |  |
| e. Notarial expenses to be incurred in case of company formation (Cf. Art. 4, paragraph 1, letter and the Notice) |
|  |   |  |  |  |  |
|  |  |  |  |  |  |
| Total e |  |  |
| f. Costs relating to the start of the activity which are attributable to a period not exceeding 12 months from the date on which the specification was signed. It is recalled that this item of expenditure is eligible up to a maximum of 20% of the total eligible (Cf. Art. 4, paragraph 1, letter f of the Notice) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total f |  |  |
| Total a+b+c+d+e+f  |  |  |
| Grant requested (€)  |  |

5.7 Administrative formalities for the start of the activity.

|  |
| --- |
| 6. ECONOMIC AND FINANCIAL ASPECTS |

6.1 Forecast financial statements for the first 3 years of activity in terms of: turnover/revenues, production costs, commercial costs, general costs, income.

6.2 Criteria for determining the items that make up the profit and loss statements.

6.3 Forecast sources/uses for the start-up year in terms of capital expenditure, VAT on investments, working capital, equity, contributions, third party capital (contributions, banks, suppliers).

6.4 Criteria for determining the items that make up the forecast source/use statement.

|  |
| --- |
| 7. ADDITIONAL ELEMENTS |

7.1 Impact in terms of mainstreaming gender.

7.2 Elements of the proposed initiative that have an impact on combating climate change.

7.3 Example: elements of innovation linked to the recovery of typical productions or the provision of services to the person.

## 3.3 TOURISM ENTERPRISES

Montenegro’s 300-kilometer-long coastline and its spectacular mountainous north drive the tourism sector, which accounts for almost 30 percent of GDP.  Government sales of formerly state-owned land have spurred a wave of foreign investment in large-scale tourism and hospitality centers.

The market is focused on hotels and resorts along Montenegro’s coast.  Montenegro is working to develop a broader tourist industry based on its abundance of scenic beauty (rural tourism, cultural tourism, and ecotourism) and geographic diversity, including mountains, seacoast, and lakes.

Montenegrin tourism representatives hope to shift a greater percentage of the tourist trade away from low-revenue package tours into more luxurious and upscale projects.  Montenegro also plans to become a center for business and convention meetings. U.S. companies that specialize in hotel management, theme park development, amusement games and attractions, golf course development, fast food establishments, sports and leisure facilities, casino management and environmental control have excellent opportunities to develop stand-alone tourist facilities or to enhance existing properties.  Several well-known U.S. companies operating in Montenegro’s tourism sector include Hilton, Stratex Group, Hyatt Regency and Crowne Plaza, as a part of the IHG Group.[[1]](#footnote-1)

The best market prospects are for tourism-related equipment, hotel furnishings, and IT equipment.  Water sports, bird watching, horse-back riding and fishing are ripe for development, as well as ports for yachts, beaches, and marinas.  There are also business opportunities for U.S. construction companies, engineering firms, and architects, as modernization projects and/or the construction of new hotels begin.

Based on THE LAW ON TOURISM AND HOSPITALITY (Official Gazette of Montenegro 2/18, 04/18, 13/18 and 25/1:

Article2
(1) Tourism and hospitality activities may be performed by business entities, other legal entities and entrepreneurs that comply with the conditions regulated by this Law.
(2) Natural persons who are not registered as entrepreneurs may offer tourism and hospitality

Article3
The performance of tourism and/or hospitality activities shall be based on the following principles:

-The planning and implementing of tourism development policy;

-Sustainable development of tourism based on the compatibility of the interests of economic development and the need to protect the environment and its resources, with adjustment to climate change by the continuous mitigation of the negative consequences of climate change;

-Integrated development of tourism and related activities, as factors of overall economic and social development, which ensures the implementation of mutually aligned plans and programmes in accordance with the law

-Increased efficiency and accountability in the fields of utilization, management, protection and improvement of the area of tourism;

-Ensuring uniform standards for the provision of services in tourism;

-Protection of the users of tourism products and providers of tourism services;

-Partnership between the private and public sectors and civil society in planning, shaping and placing tourism products on the market;

-Ensuring unique, public and electronic records of registered and recorded data in the field of tourism and hospitality and the electronic exchange of data in conducting business activities.

**Conditions for issuing a permit for performing the activities of a travel agency and a license[[2]](#footnote-2)**

Companies, other legal entities and entrepreneurs with a request for the issuance of a license and a decision on approval to perform the activities of a travel agency of the type of travel organizer or intermediary (branches), in accordance with Articles 9 and 15, and in connection with Art. 17, 18, 19 and 20 of the Law on Tourism and Catering ("Official Gazette of Montenegro", No. 02/18, 13/18, 25/19, 67/19 and 76/20) submit:

1. To prove the right of ownership or the right to dispose of or use the business premises of the branch office of a travel agency:

- public document (excerpt from the real estate folio) and

- a document on a legal transaction made in accordance with the law (certified contract, etc.) if it is about the use or disposal of business premises

2. To prove the fulfillment of conditions for staff (manager of the travel agency):

- employment contract with an application for employment with the tax administration,

- proof of completion of the fourth level of qualification sub-level IV 1 of the national qualifications framework,

- knowledge of one foreign language minimum B1 level with CEF scale and

- appropriate document on work experience in tourism (3 years of work experience for a travel agency travel organizer and 1 year of work experience for a travel agency intermediary)

3. To prove the guarantee:

- an irrevocable bank guarantee for good performance of services which is payable on the first call and without objection, or

- insurance policy or

- balance of cash deposit on a special account with a commercial bank for each branch and sub-branch in the amount of € 15,000.00 for a travel agency - travel organizer, or € 7,000.00 for a travel agency - intermediary.

4. Appropriate proof of the total revenues of the agency in the previous year (balance sheet and income statement)

5. Completed form for entry in the Central Tourist Register (CTR)

6. Proof of payment of the amount of € 2.00 for submitting a request to the bank account of the Ministry no. 832-31614150-79 (Law on Administrative Fees).

The activity of travel agencies can also be performed in residential areas, exclusively via the Internet. If the activity of the travel agency is intended to be performed exclusively via the Internet (online), it is necessary to submit, in addition to the previously mentioned evidence, proof of residence of the manager of the travel agency at the residential address where the activity is intended.

In the application for the issuance of a work permit - travel agency license it is necessary to state the data related to the name, address and form of performing economic activity, personal identification number and registration number from the Central Register of Companies (CRPS); the address of the branch office of the travel agency, as well as the name and type under which it will operate.

Also, in the request, it is necessary to state the contact telephone number of the person who will monitor the determination of the fulfillment of the minimum technical requirements in terms of equipment and interior design.

In addition to meeting the minimum technical requirements in terms of equipment and interior design of office space - the travel agency branch must meet other requirements prescribed by special regulations (construction conditions, general and special hygiene requirements, safety at work, etc.). The control of the fulfillment of these conditions is performed by the competent inspection bodies (Article 18, paragraphs 2 and 3 of the Law).

**Conditions for issuing approvals for performing activities of a tourist guide and their identification**

Pursuant to Article 36, paragraph 1 of the Law on Tourism and Catering (“Official Gazette of Montenegro”, No. 02/18, 13/18, 25/19, 67/19 and 76/20), a work permit and identification card are issued to a natural person who meets the following conditions:

- has an active knowledge of at least one foreign language, ie the language in which he / she provides the services of a guide;

- has knowledge of the Montenegrin language to the extent that enables basic communication for a foreign natural person;

- has a certificate of acquired national professional qualification for a tourist guide in accordance with the law.

Work permits and identification cards are issued on the basis of a request submitted to this Ministry as the competent body for determining the fulfillment of conditions for performing activities and receiveing identification cards (Article 37 of the Law on Tourism and Catering).

The application shall be accompanied by the following evidence:

- certificate of acquired national professional qualification for a tourist guide in accordance with the law;

- knowledge of the language in which they will provide services;

- knowledge of Montenegrin language to the extent that enables basic communication for a foreign natural person;

- completed form for entry in the Central Tourist Register;

- Copy of ID card or passport;

- Two passport-size images;

- Proof of costs of the procedure, payment of administrative fees to the account of the Ministry of Sustainable Development and Tourism no. 832-31614150-79 (Law on Administrative Fees tariff no. 4) in the amount of € 2.00;

- completed form for entry in the Central Tourist Register (CTR).

**Incentives for investors in the tourism sector in Montenegro**

 To improve the use of major resources and bring in new investment, tax reform policy has introduced fiscal incentives for investing in the following sectors: high-quality tourism - 5-star hotels; food production, other than primary agricultural production, and capital investment in the energy sector. In order to remove business barriers and encourage high quality tourism, the following incentives have been provided:

1. Zero VAT rate in accordance with the Law on Value Added Tax is paid for 10a) delivery of products and services for construction and equipment of catering facilities of five and more stars, construction of energy facilities for electricity production with installed capacity greater than 10 MW and facilities for production of food products classified within sector C group 10 of the Law on Classification of Activities ("Official Gazette of Montenegro", No. 18/11), whose investment value exceeds EUR 500,000.

2. Tax reliefs pursuant to Article 12 of the Law on Real Estate Tax (“Official Gazette of Montenegro”, No. 025/19) define that for catering facilities the tax rate may be reduced in relation to the tax rate determined in accordance with Article 9 of this Law for catering facilities of category 3 stars up to 15%, for catering facilities of category 4 stars up to 30% and catering facilities of category over 4 stars up to 70%. After the payment of corporate income tax, business entities operating in Montenegro have the opportunity to transfer funds to their accounts abroad at the end of the year.

3. VAT is calculated and paid at a reduced rate of 7% of turnover of products, services and imports of products, as follows: for accommodation services in hotels, motels, tourist resorts, boarding houses, camps, tourist apartments and villas; preparation and serving of food, beverages and drinks, except alcoholic beverages, carbonated beverages with added sugar and coffee, in catering facilities; public transport services for passengers and their personal luggage;

4. Exemption from payment of utility fees for high category hotels.

For the construction of a hotel with at least four stars, in accordance with the Law on Spatial Planning and Construction of Facilities ("Official Gazette of Montenegro", No. 64/2017, 44/2018, 63/2018, 11/2019 and 82/2020) the investor is exempt from payment of fees for communal equipment of construction land. If the hotel operates according to the condo or mixed business model, the investor is obliged to pay a fee for communal equipment of construction land, for accommodation units that are the subject of individual sales, for the net area of accommodation units with parking space.

For the registration of accommodation units that are the subject of individual sale in the real estate cadastre, in addition to the documents prescribed by the law governing the real estate cadastre, a document on the regulation of relations regarding the payment of fees for communal equipment of construction land is required.

For hotels that are subject to exemption from the payment of the fee for communal equipping, the temporary exemption from the payment of the fee is made on the basis of checking the fulfillment of the required categorization by the auditor in the process of revision of technical documentation. The final exemption from the payment of the fee is made on the basis of the categorization of the facility determined in accordance with the law which regulates the conditions for performing tourist and catering activities.

In the G list of the real estate cadastre, a note is entered that the building is exempt from paying the fee for communal equipping of construction land, ie that the fee has been reduced, stating the grounds for exemption, or reduction.[[3]](#footnote-3)

## 3.4 TOURISM PROFESSIONS

Tourism activity means the provision of services by: tourist agencies, tourist guides, tourist escorts, event organizers or representatives in cultural, nautical, rural/country, health, religious, congress, sport, youth, hunting, fishing, sports, recreational or adventure tourism, ecotourism or other forms of tourism, in bathing areas or on ski slopes, as well as the provision of other services under this Law.

(2) A tourist means a natural person who spends at least 24 hours or stays for at least one night, but no longer than one year without interruption, in a place outside of his place of residence for the purpose of holiday, leisure, entertainment, sports and recreation, culture, religion, ecology, engagement in business communication, participation in sports competitions, cultural and art events, as well as for the purpose of travelling by boat or by some other vessel. The tourism professions are:

1. **TOURIST AGENCY**
2. **TOUR GUIDE;**
3. **TOURIST ESCORT**
4. **EVENT ORGANIZER**
5. **TOURIST REPRESENTATIVE**

**Tourist Agency**:

(1) A tourist agency means a business entity, other legal entity or entrepreneur that offers services for organizing travel or acts as an agent in the selling and implementing of services for the travel and stay of tourists, and which holds a licence to perform such activities.

(2) For the activities referred to in paragraph 1 of this Article, a tourist agency must have an office, and may have a branch office as well.

(3) The activities of a travel agency may not be performed by a natural person.

A tourist agency may offer the following services in its office or branch office: 1) Organizing, selling and implementing tourist package tours in the country and abroad;

2) Organizing tourist sightseeing, entertainment programmes, meetings, congresses, fairs, events, sports events, etc.;

3) Organizing and acting as an agent in the selling and implementation of excursions;

4) Acting as an agent in the selling and implementation of package tours;

5) Providing and acting as an agent in the provision of the services of tourist guides, tourist escorts and event organizers;

6) Organizing the receiving and transferring of travellers in vehicles or through carriers that are compliant with the conditions set out in the act governing transport in road traffic;

7) Selling and acting as an agent in the selling of tickets or the booking of seats for all means of transport, and acting as an agent in obtaining visas;

8) Booking and selling tourism and hospitality services and other services relating to the travel and stay of travellers;

9) Representing local and foreign tourist agencies in travel destinations;

10) Acting as an agent in the renting of accommodation units;

11) Receiving and dispatching vessels in nautical tourism in the country and abroad;

12) Acting as an agent in the obtaining of documents required to organize and provide services in different forms of tourism.

**Tour Guide**

(1)A tour guide is a natural person who provides tourists, according to the predefined itinerary, with services that include guidance, presentation and professional descriptions of: natural sceneries and rarities, cultural and historical monuments, works of art, ethnographical and other landmarks, historical events and legends about these events and personalities, economic and political events and happenings, as well as specific places and regions.

(2) The person referred to in paragraph 1 of this Article may provide services of a tourist guide if he is registered at the CRPS as an entrepreneur, is employed at the travel agency or is hired by the association of tourist guides or travel agency which holds license in accordance with this Law

(3) The activities referred to in paragraph 1 of this Article may be provided only by a tourist guide holding a tourist guide ID (hereinafter referred to as "ID").

(4) The services of a tourist guide may also be provided by a foreign natural person who complies with the conditions set out in this Law.

(5) A professional who presents, describes or provides information at his place of employment (museum, gallery, national park or similar), an employee of the tourist agency who accompanies a group of tourists from one place to another, a guide in the mountains, caves or similar, in hunting and fishing, as well as a leader or tourist escort during an excursion and/or sightseeing tour shall not be considered a tourist guide.

(6) A foreign citizen accompanying the organized group travel of a foreign organizer, which starts in a foreign country and ends with the return to a foreign country, shall not be considered a tourist guide if he does not hold the ID in accordance with this Law.

**Tourist Escort**

(1)A **tourist escort** is a natural person accompanying a tourist group and performing operative and technical duties from the beginning of the travel to the destination and back.

(2) A tourist escort may only be a person holding a tourist escort identification card.

(3) A tourist agency shall issue the identification card referred to in paragraph 2 of this Article to a person who has completed at least level four of qualifications, sublevel IV1 of the National Qualifications Framework.

(4) In addition, a tourist escort shall be considered to be a foreign citizen who accompanies a group of a foreign organizer, for travel that starts in a foreign country and that ends upon returning to the foreign country.

(5) While providing services, a tourist escort must wear in a visible place the tourist escort identification card that confirms his identity.

(6) The form and manner of use of the identification card referred to in paragraph 2 of this Article shall be prescribed by the Ministry.

**Tourist event organizer**

(1)A tourist event organizer is a natural person who plans and implements entertainment, cultural, sports, recreational and other programmes to organize tourists' free time.

(2) The duties referred to in paragraph 1 of this Article may be performed only by a tourist event organizer holding a tourist event organizer identification card.

(3) A tourist event organizer shall also be considered to be a foreign citizen who complies with the conditions set out in this Law.

**Tourist representative**

(1)A tourist representative shall be a tourist agency representing a local or foreign tourist agency at travel destinations.

(2) A tourist representative shall perform representation duties on the basis of a concluded agreement.

(3) The tourist agency shall inform the traveller about a tourist representative and his authorizations.

(4) A tourist representative shall provide the Ministry with his representation agreement within eight days of the day of concluding the representation agreement.

(5) The agreement referred to in paragraph 2 of this Article shall be accompanied by a completed form for entry into the Central Tourism Register.[[4]](#footnote-4)

1. <https://www.trade.gov/country-commercial-guides/montenegro-tourism-0> [↑](#footnote-ref-1)
2. <https://www.gov.me/en/article/licenses-and-permits-for-tourism-businesses> [↑](#footnote-ref-2)
3. <https://www.gov.me/en/article/incentives-for-investors-in-the-tourism-sector-in-montenegro> [↑](#footnote-ref-3)
4. <https://www.gov.me/en/documents/f92eddca-16c5-42b6-acfb-d212f3a68d7a> [↑](#footnote-ref-4)