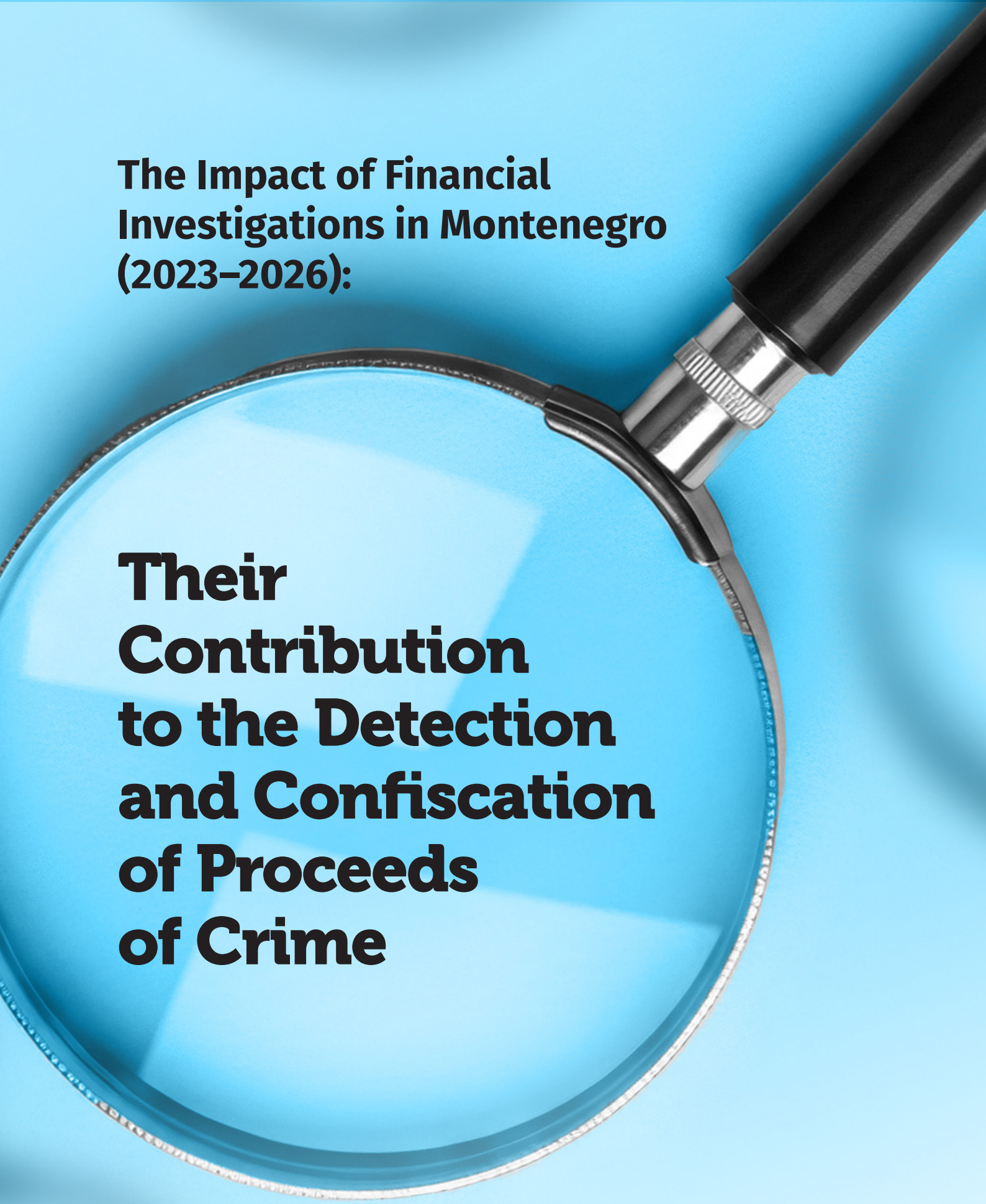
The Impact of Financial Investigations in Montenegro (2023–2026):



Their Contribution to the Detection and Confiscation of Proceeds of Crime

CeMI
CENTAR ZA MONITORING I ISTRAŽIVANJE

The Impact of Financial Investigations in Montenegro (2023–2026):

Their Contribution to the Detection and Confiscation of Proceeds of Crime

Center for Monitoring and Research – CeMI
Bulevar Josipa Broza Tita 23a
E-mail: info@cemi.org.me
www.cemi.org.me

Editor:
Zlatko Vujović

Authors:
Zlatko Vujović
Gordana Mitrović

Year of publication:
2026

Kingdom of the Netherlands

Note: The content of this report is the sole responsibility of CeMI and can in no way be interpreted as the official position of the Embassy of the Kingdom of the Netherlands.

Contents

Introduction **4**

1. International standards for conducting financial investigations **5**
1.1 United Nations conventions 5
1.2 Council of Europe conventions 6
1.3 The European Union acquis in the field of financial investigations and asset confiscation 6
1.3.1 Framework Decision 2005/212/JHA on confiscation of crime-related proceeds 7
1.3.2 Directive 2014/42/EU on the freezing and confiscation of instrumentalities and proceeds of crime 7
1.3.3 Directive (EU) 2019/1153 on access to financial information 7
1.3.4 Regulation (EU) 2018/1805 on the mutual recognition of freezing orders and confiscation orders 8
1.4 Recommendations of the Financial Action Task Force (FATF) 8

2. Financial investigations in Montenegro – legal framework **9**

3. Financial investigations in Montenegro – institutional performance . . **13**
3.1 Financial investigations before the Special State Prosecutor's Office 13
3.2 Financial investigations before the Higher State Prosecutor's Offices in Podgorica and Bijelo Polje 14
3.3 Financial investigations before the Basic State Prosecutor's Offices 14
3.4 Instructions for state prosecutors on conducting preliminary financial inquiries and financial investigations 15

4. Temporary and permanent asset confiscation – effects of financial investigations in Montenegro **17**
4.1 Temporary asset confiscation 17
4.1.1 Interim measure: prohibition on the use or disposal of immovable property 18
4.1.2 Interim measures: funds seized and temporary suspension of payments 18
4.1.3 Interim measures securing movable property 19
4.1.4 Other measures 20
4.2 Applications for permanent confiscation of proceeds of crime 20
4.3 Permanent confiscation of assets 23

Concluding observations **24**

Recommendations for improving the system of financial investigations and asset confiscation in Montenegro **25**

Introduction

Financial investigations and the confiscation of assets acquired through criminal activity are among the key instruments in the modern fight against organised crime and corruption. Unlike the traditional approach, which relies primarily on prosecution and the imposition of prison sentences, this model is based on the principle that crime should not pay. Confiscating unlawfully acquired assets not only directly undermines the economic foundations of criminal activity, but also sends a strong deterrent message, thereby contributing to the long-term prevention of crime.

Financial investigations make it possible to identify, trace and document flows of money and assets connected with the commission of specific criminal offences. Their effectiveness depends on being initiated in a timely manner, the quality of analytical work, the expertise available to law-enforcement authorities, and institutional coordination between the prosecution service, the courts, the police and other competent state bodies. However, international experience shows that, despite the existence of relatively well-developed legal frameworks, actual results in this field often fall short of public expectations, particularly when it comes to the final confiscation of assets acquired through crime.

Over the past decade, Montenegro has established a legislative and institutional framework for conducting financial investigations and confiscating assets acquired through crime. The capacity of the competent authorities to conduct financial investigations has been strengthened through the EU accession negotiations between Montenegro and the EU under Chapter 24. One of the most significant effects of the reforms implemented in this area appears to be the change, over the past ten years, in the awareness and institutional approach of prosecutors, judges, police officers and experts working in public institutions towards financial investigations. The initial reluctance to "venture into the unknown" has given way to a situation in which all actors in the criminal justice chain engage in financial investigations and the confiscation of criminal proceeds without hesitation. Nevertheless, the key question remains: to what extent does this system produce concrete and measurable results?

This study is based on a mixed-methods approach combining quantitative analysis of available institutional data with a qualitative assessment of key aspects of the operation of Montenegro's system of financial investigations and asset confiscation. The analysis covers the period 2023–2026, making it possible to track trends over time and assess results during the current cycle of work of the Special State Prosecutor's Office, under the leadership of the new Chief Special Prosecutor. The data used in the study were collected from several relevant sources, including annual reports on the work of the Special State Prosecutor's Office, available statistics on the work of state prosecution offices and courts, and reports by international organisations and institutions monitoring the rule of law (the EU, the Council of Europe, the OSCE, etc.).

In this context, the analysis is structured around several dimensions, the key ones being the annual pace and scale of financial investigations conducted by the Special State Prosecutor's Office and other prosecution offices, and the results achieved through the application of temporary and permanent asset-confiscation measures. Since the Supreme State Prosecutor issued binding instructions on financial investigations in 2025, applicable to all prosecution offices in Montenegro, a specific section of the study examines trends in results before and after the publication of those instructions.

The study was produced as part of the project "Open Courts Project: Monitoring Trials for Organised Crime and High-Level Corruption in Montenegro", supported by the Embassy of the Kingdom of the Netherlands.

1. International standards for conducting financial investigations

Modern investigative approaches to combating organised crime and corruption are largely based on the principle that confiscating unlawfully acquired assets is a key instrument for curbing criminal activity. International standards in this area have been developed through the practice and recommendations of relevant organisations, primarily the United Nations, the Council of Europe, the European Union and the Financial Action Task Force (FATF). The standards established by these organisations provide a framework for effective financial investigations and asset confiscation. They focus not merely on the formal existence of legal mechanisms, but above all on their practical application and the measurable results of financial investigations. In this regard, emphasis is placed on the ability of the criminal justice system to identify, secure and permanently confiscate assets derived from criminal activity, and to prevent their further use.

1.1 United Nations conventions

Two international conventions adopted by the United Nations play a key role in combating corruption and organised crime: the United Nations Convention against Corruption (UNCAC) and the United Nations Convention against Transnational Organized Crime (UNTOC). UNCAC, which entered into force in 2005, is the principal global instrument for preventing and combating corruption in the public and private sectors. It addresses preventive measures, prosecution and international cooperation. Article 31 is particularly important for financial investigations and asset confiscation, requiring States to introduce measures for the confiscation and freezing of assets derived from criminal offences, as well as assets used to commit them. The Convention also regulates the mutual recognition and enforcement of confiscation decisions between States, the return of confiscated assets and arrangements for their disposal.[1] **The United Nations Convention against Transnational Organized Crime (UNTOC)**, which entered into force in 2003, is a fundamental UN instrument in the international fight against organised crime. It covers offences such as participation in organised criminal groups, money laundering, corruption and obstruction of justice. The Convention requires States Parties to establish measures for the confiscation of assets derived from criminal offences. It also regulates international judicial cooperation in confiscation proceedings and the disposal of confiscated assets.[2]

1 See more: https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf

2 See more: https://www.unodc.org/unodc/en/organized-crime/intro/UNTOC.html

1.2 Council of Europe conventions

The conventions adopted by the Council of Europe play an important role in combating corruption and financial crime. **The Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime** (1990), also known as the Strasbourg Convention, was one of the first international instruments to regulate the fight against financial crime systematically. Under this Convention, States Parties undertake to establish legal mechanisms for identifying, tracing, freezing and confiscating assets derived from criminal offences. The Convention also stresses the importance of international cooperation, particularly mutual legal assistance and the enforcement of foreign confiscation orders. This enables money laundering to be tackled more effectively and unlawfully acquired assets to be confiscated across borders.[3] **The Criminal Law Convention on Corruption** (1999) establishes standards for criminalising various forms of corruption, including active and passive bribery, as well as the liability of legal persons.[4] **The Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism** (2005), known as the Warsaw Convention, develops the standards of the Strasbourg Convention in greater detail, with specific measures to prevent and combat the financing of terrorism. It requires States to establish effective mechanisms for identifying, tracing, freezing and confiscating assets, and to strengthen international cooperation and information-sharing between competent authorities. This further improves the effectiveness of financial investigations at European and international level.[5]

1.3 The European Union acquis in the field of financial investigations and asset confiscation

The development of systems for financial investigations and asset confiscation in EU candidate countries such as Montenegro is largely shaped by alignment with the EU acquis in the fields of organised crime, corruption and money laundering. Over the past decade, the European Union has developed a comprehensive legal framework intended to ensure the effective confiscation of unlawfully acquired assets, improve financial investigations and strengthen cross-border cooperation between Member States. Unlike earlier approaches, which focused primarily on prosecuting offenders, the EU framework emphasises the systematic confiscation of proceeds as a key element in combating high-level corruption and organised crime. This approach is based on the premise that financial gain is a principal driver of most forms of serious and organised crime, and that asset confiscation has a strong deterrent effect. Some of the most important instruments establishing standards in this area are outlined below.

3 See more: https://rm.coe.int/168007bd23

4 See more: https://www.coe.int/en/web/conventions/-/council-of-europe-criminal-law-convention-on-corruption-ets-no-173-translations

5 See more: https://www.coe.int/en/web/conventions/-/council-of-europe-council-of-europe-convention-on-laundering-search-seizure-and-confiscation-of-the-proceeds-from-crime-and-on-the-financing-of-terror

1.3.1 Framework Decision 2005/212/JHA on confiscation of crime-related proceeds

Framework Decision 2005/212/JHA was one of the first EU acquis instruments adopted in the field of asset confiscation. It established basic standards for confiscating proceeds derived from criminal offences and represented an important step towards harmonising Member States' legislation in this area. The Framework Decision required Member States to provide for the confiscation of proceeds of crime, including assets directly or indirectly connected with criminal offences. Its particular importance lies in promoting the concept of extended confiscation, which allows assets to be confiscated where a court finds that they were probably acquired through criminal activity, even if no direct link to a specific criminal offence has been established. This Framework Decision laid the foundations for the subsequent development of more advanced legal instruments, including Directive 2014/42/EU, which further elaborated and improved these mechanisms.[6]

1.3.2 Directive 2014/42/EU on the freezing and confiscation of instrumentalities and proceeds of crime

One of the key instruments in this field is Directive 2014/42/EU, which provides a fundamental EU legal framework for confiscating assets acquired through criminal activity. The Directive introduces the minimum standards for freezing assets during investigations, confiscating proceeds permanently, applying extended confiscation and confiscating assets transferred to third parties. It encourages Member States to establish effective mechanisms for managing confiscated assets, recognising that preserving their value is essential to the overall impact of confiscation measures.[7]

1.3.3 Directive (EU) 2019/1153 on access to financial information

Directive (EU) 2019/1153 enables competent authorities to access information on bank accounts and financial data more quickly and efficiently. This EU instrument aims to strengthen cooperation between law-enforcement authorities and financial intelligence units (FIUs), facilitate the rapid exchange of data and make it easier to identify assets. It directly contributes to the effectiveness of financial investigations conducted in EU Member States.[8]

6 See more: https://eur-lex.europa.eu/legal-content/HR/ALL/?uri=celex:32005F0212

7 See more: https://eur-lex.europa.eu/legal-content/HR/TXT/?uri=uriserv%3AOJ.L_.2014.127.01.0039.01.HRV&toc=OJ%3AL%3A2014%3A127%3AFULL

8 See more: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L1153

1.3.4 Regulation (EU) 2018/1805 on the mutual recognition of freezing orders and confiscation orders

Regulation (EU) 2018/1805 establishes a legal framework for the effective cross-border enforcement of freezing and confiscation orders within the EU. It provides for the direct recognition of judicial decisions between States and addresses circumstances in which Member States may refuse to recognise and enforce confiscation orders issued by other Member States. The Regulation also lays down more detailed rules on the management and disposal of frozen and confiscated assets, as well as Member States' obligations towards persons affected by these measures.[9]

1.4 Recommendations of the Financial Action Task Force (FATF)

The Financial Action Task Force (FATF) is an intergovernmental body established in 1989 by the ministers of its member countries. Its mandate is to set standards and promote the effective implementation of legal, regulatory and operational measures to prevent money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction, as well as related threats to the integrity of the international financial system. Working with other international stakeholders, FATF also identifies national vulnerabilities in order to protect the international financial system from abuse.

The FATF Recommendations establish a framework of measures that countries should apply to prevent money laundering and terrorist financing. FATF **Recommendation 4** is one of the key international standards on confiscating assets derived from criminal activity. It calls on countries to establish a legal and institutional framework that enables the identification, tracing, freezing and eventual confiscation of assets originating from criminal offences. **Recommendation 38** sets standards for international cooperation in freezing, seizure and confiscation. It calls for effective mechanisms for mutual legal assistance in confiscation cases, recognition and enforcement of foreign judicial decisions on freezing and confiscation, and the exchange of information and evidence relating to financial investigations.

9 See more: https://eur-lex.europa.eu/legal-content/HR/TXT/PDF/?uri=CELEX:32018R1805&from=GA

2. Financial investigations in Montenegro – legal framework

The effectiveness of the system of financial investigations and asset confiscation depends largely on the clarity of the legal framework and the functionality of the institutional structure responsible for conducting investigations. Although the legal framework provides the basis for action by the competent authorities, actual results depend on consistent implementation, the development of institutional capacity and coordination among the key institutional actors. An analysis of the legal and institutional framework is therefore essential to understanding the performance of Montenegro's financial investigation system.

The legal framework governing financial investigations and asset confiscation in Montenegro is based on a combination of criminal law and criminal procedure legislation. The principal sources of law in this area are the Constitution, the Criminal Code, the Criminal Procedure Code and the Law on Confiscation of Proceeds of Crime. The Criminal Code defines offences capable of generating unlawful proceeds, including organised crime, corruption and money laundering, while the Criminal Procedure Code regulates procedural mechanisms for conducting financial investigations and applying measures to secure assets. The law governing confiscation of proceeds is particularly important because it sets out in greater detail the procedure for identifying, freezing and permanently confiscating assets found to have been acquired through criminal activity. Other laws also play an important role, including the Law on the Special State Prosecutor's Office, the Law on the Prevention of Money Laundering and Terrorist Financing, the Law on Courts, the Law on the State Prosecutor's Office, the Law on the Judicial Council and Judges, and the Law on Internal Affairs.

To understand the meaning of the term "financial investigation" properly, it is necessary to begin with the concept as set out in the applicable provisions of the Law on Confiscation of Proceeds of Crime. The Law governs the conditions for confiscating proceeds acquired through criminal activity, the confiscation procedure and other related matters, as well as the management of confiscated proceeds derived from criminal activity and proceeds obtained through criminal offences.

A new version of the Law was adopted while this study was being prepared.[10] Its adoption brought the national legal framework into alignment with the Directive 2014/42/EU of 3 April 2014 on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union. The new provisions are intended to strengthen the capacity and powers of the competent authorities and enable them to act more effectively, particularly in the fight against organised crime.

The Law regulates how preliminary financial inquiries and financial investigations are conducted.

A preliminary financial inquiry is initiated where there are grounds for suspicion that an offence specified in the Law has been committed and that proceeds may be confiscated from

10 Official Gazette of Montenegro, No. 131/2026.

its perpetrator.[11] If there are also grounds for suspecting that the proceeds were acquired through criminal activity, the police must inform the state prosecutor. During a preliminary financial inquiry, either on its own initiative or at the prosecutor's request, the police take the necessary steps to detect and identify proceeds derived from criminal activity to establish whether there are reasonable grounds to suspect that the proceeds were acquired through such activity. The police must inform the state prosecutor of the steps taken and act following the prosecutor's requests.

The Law also provides for an exception under which proceeds may be confiscated from perpetrators of offences specified in the Law where an order confirming the indictment has been issued, or a main hearing has been scheduled under summary proceedings, for one of the specified offences committed as part of a criminal association or criminal organisation; the proceeds must be worth at least EUR 50,000; and, having regard to the circumstances of the case, in particular the obvious disproportion between the value of the assets (after deduction of taxes and other duties paid) and the holder's lawful income, and the fact that the holder has not made it plausible through credible documents or otherwise that the proceeds were lawfully acquired, the court has found that the proceeds were acquired through criminal activity.

A financial investigation is initiated by an order of the state prosecutor where:

1) there are grounds for suspecting that proceeds were acquired through criminal activity; and
2) there are reasonable grounds to suspect that an offence falling within the categories listed above has been committed. The order initiating the financial investigation identifies the person against whom it is conducted.

Under the Law on Confiscation of Proceeds of Crime, **the state prosecutor directs the financial investigation**. By issuing instructions or directly managing the investigation, the prosecutor directs the work of the police, military police, tax and customs authorities, the authorities

11 Article 2 of the Law reads as follows: "Proceeds of crime may be confiscated from the perpetrator of a criminal offence where there are reasonable grounds to suspect that such proceeds have been acquired through criminal activity and the perpetrator fails to establish, on the balance of probabilities, that their origin is lawful (extended confiscation), provided that the perpetrator has been convicted by a final judgment of a criminal offence prescribed by the Criminal Code of Montenegro, namely: 1) kidnapping under Article 164; 2) criminal offences against sexual freedom under Articles 206, 208, 209, 210, 211, 211a and 211b; 3) criminal offences against property under Articles 240, 241, 242, 243, 244, 244a, 249, 250, 251, 252 and 253b; 4) criminal offences against payment transactions and economic activity under Articles 258, 259, 260, 261, 262, 263, 264, 265, 268, 270, 272, 272a, 272b, 272c, 272d, 273, 274, 276, 276a, 276b, 281, 281a and 283; 5) criminal offences against human health; 6) criminal offences against the environment and spatial planning; 7) criminal offences against the security of computer data under Articles 350, 352, 353 and 354; 8) criminal offences against public order and peace under Articles 401, 401a, 402, 403, 403a, 403b, 403c, 404 and 405; 9) criminal offences against legal transactions under Articles 412, 413 and 414; 10) criminal offences against official duty under Articles 416, 417, 419, 420, 422, 422a, 423 and 424; 11) criminal offences against humanity and other goods protected under international law under Articles 444, 445, 446, 447, 447a, 447b, 447c, 447d, 449, 449a and 449b; 12) any other intentional criminal offence punishable by a term of imprisonment of three years or more."

responsible for preventing money laundering and terrorist financing, and other bodies acting within their respective areas of competence, with the aim of identifying proceeds acquired through criminal activity or proving that the proceeds were acquired in that way.

During a financial investigation, information and evidence are collected on the assets, lawful income, and living expenses of the holder, as required by the state prosecutor when applying for permanent confiscation of proceeds. This includes:

1) information and evidence concerning the holder's assets and lawful income after deduction of taxes and other duties paid, and the relationship between income and assets;
2) information and evidence concerning assets transferred to third parties or passed to a legal successor, and the manner in which the assets were acquired and transferred; and
3) any other information and evidence relevant to confiscating proceeds acquired through criminal activity.

Depending on the circumstances of the case, the state prosecutor may invite the person whose assets are under investigation to comment on the information and evidence. At the prosecutor's request, an investigating judge may order a credit institution, financial institution, or similar body to provide information needed to detect and identify proceeds acquired through criminal activity. The prosecutor may establish a financial investigation team, which may include, in addition to the prosecutor, civil servants employed by bodies involved in the investigation under the Law.

If information and evidence obtained during a financial investigation indicate grounds for suspecting that proceeds derived from criminal activity have been transferred to another person not covered by the original investigation order, the state prosecutor must order that the investigation be extended to include that person. A financial investigation is concluded when the prosecutor either submits an application for permanent confiscation of proceeds or discontinues the investigation.

The Law allows the state prosecutor to propose **interim measures to secure assets (freezing) and the temporary seizure of assets**. The prosecutor may ask the court to order:

1) a prohibition on using immovable property, recorded in the land register;
2) a prohibition on disposing of immovable property, recorded in the land register;
3) an order requiring a credit institution, financial institution or similar body to withhold payment of the amount covered by the interim measure;
4) a prohibition on disposing of a claim arising from a contractual relationship;
5) a prohibition on transferring or encumbering shares or ownership interests in a company, recorded in public registers;
6) a prohibition on exercising or disposing of rights attached to shares, ownership interests or other securities;
7) the appointment of temporary management for a company; and
8) a prohibition on disposing of and/or using movable property, including crypto-assets and other digital assets, recorded in the relevant registers.

The court imposes an interim measure by decision, at the proposal of the state prosecutor.

Proceedings for confiscation of proceeds acquired through criminal activity may be conducted before, during or after the conclusion of criminal proceedings. Confiscation includes **temporary measures** (measures to secure assets and the temporary seizure of movable property) and **permanent confiscation**. **The court** decides whether to confiscate proceeds acquired through criminal activity. **The state prosecution service and the police** are responsible for detecting such proceeds. The administrative authority responsible for managing state assets manages confiscated proceeds, objects used in or derived from criminal offences, items temporarily seized in criminal and misdemeanour proceedings, and assets provided as bail.

Finally, under the amendments to the Law adopted in 2026, "proceeds acquired through criminal activity" means proceeds that derive directly or indirectly from a criminal offence, regardless of where they are located. This includes any increase in assets or prevention of a reduction in assets resulting from criminal activity, any subsequent reinvestment of assets, and any income or other benefit obtained directly or indirectly from criminal activity, as well as any asset into which such proceeds have been converted or with which they have been combined. "Assets" means property rights of any kind, whether relating to tangible or intangible property, movable or immovable property, securities and other documents evidencing property rights, as well as digital assets. Digital assets are digital representations of value that can be traded or transferred digitally and used as a means of exchange or for investment. "Crypto-assets" are digital representations of value or rights that can be transferred and stored electronically using distributed ledger technology (DLT) or similar technology, including electronic money tokens.

3. Financial investigations in Montenegro – institutional performance

3.1 Financial investigations before the Special State Prosecutor's Office

The Special State Prosecutor's Office of Montenegro plays a vital role in the system of financial investigations and asset confiscation. It is responsible for cases involving organised crime, corruption, and other complex forms of criminality. As the authority leading investigations, it is responsible for initiating, directing and supervising financial investigations, including identifying assets, proposing interim measures, and initiating proceedings for the permanent confiscation of proceeds. This review of the Office's work in 2023–2025 focuses on the number of financial investigations initiated, the number of persons covered and the outcomes of completed proceedings. These indicators provide insight not only into the level of activity but also into the system's effectiveness in translating investigations into tangible results.

From the beginning of 2023 to the end of 2025, the Special State Prosecutor's Office initiated 51 financial investigations against 345 natural persons and seven legal persons. According to the available data, it also had 91 cases from earlier years under consideration. According to a note in the Office's reports, these cases date from before March 2022, when Vladimir Novović became Chief Special Prosecutor. A detailed statistical overview of financial investigations before the Special State Prosecutor's Office is provided in the table below.

Table 1. Financial investigations before the Special State Prosecutor's Office, 2023–2025

Year	Investigations initiated	Natural persons	Legal persons
2023	12	102	1
2024	13	96	5
2025	26	147	1
Total	**51**	**345**	**7**

In 2025, the Office concluded financial investigations in five cases involving 11 persons. In four cases involving seven natural persons, it ordered the discontinuation of the financial investigation; one case involving four persons was transferred to the Basic State Prosecutor's Office in Podgorica. The results of financial investigations are discussed below.

3.2 Financial investigations before the Higher State Prosecutor's Offices in Podgorica and Bijelo Polje

Between 2023 and 2025, the Higher State Prosecutor's Offices in Podgorica and Bijelo Polje initiated 34 financial investigations against 45 natural persons. The Higher State Prosecutor's Office in Podgorica initiated 31 investigations against 42 natural persons, while the office in Bijelo Polje initiated three investigations against three persons. The Bijelo Polje office initiated no financial investigations in 2023 or 2024; all three were initiated in 2025. It also initiated one preliminary financial inquiry.

Table 2. Financial investigations before the Higher State Prosecutor's Office in Podgorica, 2023–2025

Year	Investigations initiated	Natural persons	Legal persons
2023	14	23	0
2024	8	8	0
2025	9	11	0
Total	**31**	**42**	**0**

Table 3. Financial investigations before the Higher State Prosecutor's Office in Bijelo Polje, 2023–2025

Year	Investigations initiated	Natural persons	Legal persons
2023	0	0	0
2024	0	0	0
2025	3	3	0
Total	**3**	**3**	**0**

3.3 Financial investigations before the Basic State Prosecutor's Offices

Data on financial investigations initiated by Basic State Prosecutor's Offices in 2025 indicate a clear upward trend and the gradual strengthening of this instrument across the judicial system. No financial investigations were initiated by basic prosecution offices in 2023, while only two cases were recorded in 2024, in Kolašin and Kotor. Against this background, the 32 financial investigations initiated in 2025 represent a significant institutional step forward. This increase may be directly linked to improvements in the legal and operational framework, particularly the Instructions for State Prosecutors on Conducting Preliminary Financial Inquiries and Financial Investigations, issued in 2025 by Supreme State Prosecutor Milorad Marković. The Instructions were intended to standardise practice, provide clearer guidance and encourage more active use of preliminary financial inquiries and financial investigations. However, a weakness remains: more than half of the prosecution offices did not use the financial-investigation mechanism. This should receive particular attention from the heads of basic prosecution offices and the Supreme State Prosecutor.

In 2025, the Basic State Prosecutor's Offices initiated 32 financial investigations against 48 natural persons and 19 legal persons. The largest number was initiated by the Basic State Prosecutor's Office in Bijelo Polje (16), exactly half of the total. The Basic State Prosecutor's Office in Podgorica, the largest in Montenegro, initiated eight, or one quarter of the total. Nikšić initiated five, while Herceg Novi, Kotor and Pljevlja initiated one each.

Table 4. Financial investigations before Basic State Prosecutor's Offices in 2025

Office	Investigations initiated	Natural persons	Legal persons
ODT Podgorica	8	25	0
ODT Bijelo Polje	16	21	16
ODT Herceg Novi	1	2	3
ODT Kotor	1	Not known	Not known
ODT Nikšić	5	Not known	Not known
ODT Pljevlja	1	Not known	Not known
Ukupno	**32**	**48**	**19**

In 2025, four preliminary financial inquiries were initiated: two by the Basic State Prosecutor's Office in Bar, one by the office in Cetinje and one by the office in Plav.

3.4 Instructions for state prosecutors on conducting preliminary financial inquiries and financial investigations

In early March 2025, Supreme State Prosecutor Milorad Marković issued the "Instructions for State Prosecutors on Conducting Preliminary Financial Inquiries and Financial Investigations"[12] to encourage a more proactive approach to applying the Law on Confiscation of Proceeds of Crime. The Instructions established a coordination mechanism to monitor financial investigations at every level of the prosecution service. The Supreme State Prosecutor appointed a coordinator responsible for coordinating and monitoring implementation, who reports directly to and is accountable to the Supreme State Prosecutor.

The first part of the Instructions concerns the obligations of heads of state prosecution offices. Within 60 days of the Instructions entering into force, they were required to review and analyse all pending cases involving offences covered by the Law on Confiscation of Proceeds of Crime. They were also required to assess whether a preliminary financial inquiry should be conducted, or an order initiating a financial investigation issued, and to prepare a report on cases in which either step was considered necessary. It is not known whether, or how, the Supreme State Prosecutor's Office received the information that prosecution heads were required to prepare. Under the Instructions, prosecution heads must submit quarterly reports with updated data to the coordinator, appoint a contact person responsible for collecting information and tracking cases involving preliminary inquiries and investigations, and initiate meetings with the Police Directorate to ensure ongoing communication and stronger cooperation.

12 Available at: https://tuzilastvo.me/wp-content/uploads/2025/03/Uputstvo_za_postupanje_drzavnih_tuzilastava_za_sprovodjenje_finansijskog_izvidjaja_odnosno_finansijske_istrage.pdf

The second part sets out the obligations of state prosecutors. When initiating an inquiry or issuing an order to investigate offences covered by the Law, prosecutors must also consider whether to initiate a preliminary financial inquiry and take the necessary steps to detect and identify proceeds of crime, with a view to issuing an order for a financial investigation. During such an investigation, they are to collect information and evidence on the extent, amount, type and actual value of assets held by the suspect, legal predecessor, legal successor, family member or third party within the meaning of Article 7 of the Law. The aim is to establish comprehensively the true origin, value and structure of the assets, as well as the holder's income and living expenses. Where there are grounds to suspect that all or part of the assets are abroad, prosecutors are to obtain information through mutual legal assistance, police cooperation and communication channels used by bodies and networks that exchange data on criminal proceeds, and take timely steps to secure temporary or permanent confiscation.

The Instructions represent a major step towards improving the handling of preliminary financial inquiries and financial investigations. Their principal aims are to improve effectiveness, consistency, and timeliness in cases where proceeds may have been acquired through criminal activity. They clearly define the responsibilities of prosecution heads and case prosecutors, including assessing the need for a preliminary financial inquiry at an early stage and continuously monitoring and recording relevant cases.

In practical terms, the first months of implementation produced tangible improvements. The most significant effect was an increase in the number of preliminary financial inquiries and financial investigations initiated not only by the Special State Prosecutor's Office but also by other prosecution offices. This helped advance the goal of harmonising practice and encouraging a more initiative-taking approach. According to information published by the Supreme State Prosecutor's Office on the handling of temporary and permanent confiscation proceedings, the effects are visible both in the number of financial investigations initiated in 2025 and in the increased number of applications for interim measures and temporary asset seizure.[13]

13 See more: https://tuzilastvo.me/wp-content/uploads/2026/01/Postupanje-Drzavnog-tuzilastva-u-postupcima-privremenog-i-trajnog-oduzimanja-imovinske-koristi-stecene-kriminalnom-djelatnoscu-1.docx

4. Temporary and permanent asset confiscation – effects of financial investigations in Montenegro

Temporary and permanent confiscation of assets acquired through criminal activity is one of the most important instruments in the fight against organised crime, high-level corruption, and other serious offences. Criminal proceedings are not solely intended to establish criminal liability and impose a penalty; they should also deprive offenders of unlawfully acquired proceeds and prevent them from retaining the economic benefits of unlawful conduct. Financial investigations are crucial because they provide the principal mechanism for identifying, locating, securing, and ultimately confiscating assets that are suspected of deriving from criminal activity.

Assessing the effects of financial investigations in Montenegro is important considering the development of the legislative and institutional framework and the increased focus of law-enforcement authorities on the financial aspects of criminal investigations. Results achieved through interim measures to secure assets and applications for permanent confiscation offer a clearer picture of how the law operates in practice and of the challenges that continue to affect outcomes. The following sections examine trends in temporary and permanent confiscation, and the relationship between assets temporarily secured and those permanently confiscated, focusing on investigations initiated by the Special State Prosecutor's Office.

4.1 Temporary asset confiscation

The Law on Confiscation of Proceeds of Crime authorises the state prosecutor, where the statutory conditions are met, to ask the court to impose interim measures to secure assets or to order their temporary seizure. These measures may cover immovable property, funds, claims, shares and interests in companies, movable property and other property rights. They may also include placing a company under temporary management where the circumstances require it. The law therefore provides a broad range of mechanisms to preserve assets until proceedings conclude and prevent them from being transferred beyond the reach of the judicial authorities. The court decides on an interim measure by a reasoned decision following an application by the state prosecutor. The quality and legal basis of that application are crucial to the court's decision. Interim measures are an important indicator of the effectiveness of a financial investigation because timely identification of assets, the quality of evidence and assessment of the risk of disposal directly affect whether assets can be preserved for possible permanent confiscation.

4.1.1 Interim measure: prohibition on the use or disposal of immovable property

In 2025, the number of cases in which steps were taken to impose interim measures securing assets increased significantly compared with previous years. Such activity was recorded in 15 cases in 2023 and 14 in 2024, compared with 32 cases in 2025, indicating more intensive financial investigations and greater use of mechanisms for confiscating proceeds of crime.

In 32 cases in 2025, the Special State Prosecutor's Office submitted applications for interim prohibitions on the use and/or disposal of immovable property covering a total area of 1,911,986.42 m². The applications covered a wide range of property, including residential and commercial buildings, building and agricultural land, forests, pastures, meadows, orchards, garages, ancillary buildings, and other categories. Forests accounted for the largest area (720,720.69 m²), followed by meadows (338,311.30 m²), pastures (330,685.71 m²) and infertile land (206,617.83 m²). The applications also covered residential premises measuring 36,587.14 m² and commercial premises measuring 31,587.00 m², as well as other buildings and properties.

First-instance court decisions had been issued in 26 of the 32 cases. In those decisions, the court accepted the prosecution's applications in respect of 91% of the total area of immovable property covered by the applications. These figures indicate both increased use of financial investigations and a high proportion of applications for interim measures being upheld.

In 2025, basic prosecution offices also made greater use of financial investigations and interim asset measures. The Basic State Prosecutor's Office in Podgorica applied for a prohibition on disposing of and using a 119 m² residential unit and a 13 m² garage, with the prohibition to be recorded in the land register; the court granted the application in full. The Basic State Prosecutor's Office in Bijelo Polje also applied for interim measures covering several properties, and the court granted its application. These included a 21 m² flat in Bar, a 28 m² flat in Podgorica, land and ancillary buildings in Bijelo Polje, and a 30.67 m² flat in Zlatibor, Serbia. These cases show that the use of financial investigations and interim measures is expanding beyond the Special State Prosecutor's Office to basic prosecution offices.

4.1.2 Interim measures: funds seized and temporary suspension of payments

In addition to measures affecting immovable property, financial investigations also involve the seizure of funds and temporary suspension of payments by commercial banks. These are among the most effective ways of quickly securing assets suspected of having been acquired through criminal activity or linked to an offence. Comparative data for 2023–2025 show a steady increase in the number of cases in which these measures were applied: five cases in 2023, ten in 2024 and 22 in 2025.

In 2025, funds totalling EUR 69,019,081.46, RUB 2,037,432.00, USD 192,290.77, CHF 624.24 and GBP 3,000.00 were seized at commercial banks in 22 cases managed by the Special State Prosecutor's Office. Five of these cases were initiated following notifications of suspicious transactions. In 2024, funds totalling EUR 49,392,546.40, AED 6,720,000.00, RUB 42,089,128.99, and USD 45,078.90 were seized in ten cases; eight of those cases were initiated following

suspicious-transaction notifications. In 2023, the Office blocked EUR 6,187,129.48 in five cases. Banks were instructed to withhold payments totalling EUR 5,545,944.18, and cash amounting to EUR 171,170.00 and USD 1,565.00 was also seized.

Across the three-year period, both the number of cases and the value of funds secured increased. This trend points to a stronger focus on money flows and banking transactions as key sources of evidence of the unlawful origin of assets. The number of cases initiated following suspicious-transaction notifications also highlights the growing importance of cooperation between the Special State Prosecutor's Office, commercial banks, and systems for detecting suspicious financial activity. Temporary suspension of payments has proved particularly useful for urgent asset protection because it enables rapid action and prevents funds from being transferred or disposed of before the financial investigation is completed.

4.1.3 Interim measures securing movable property

Interim measures securing movable property are an important part of financial investigations, particularly in cases where there is a risk that high-value assets may quickly be disposed of or concealed. In the practice of state prosecution offices, these measures most often cover motor vehicles, vessels, luxury items, jewellery, works of art, weapons and other movable items that may constitute proceeds of crime or be connected with the commission of an offence.

Five cases involving the temporary seizure of movable property were recorded in 2024, rising to 16 in 2025. No figure for the number of cases was available for 2023, although data on the type and volume of movable property temporarily seized were available. In 2025, the Special State Prosecutor's Office temporarily seized a total of 100 vehicles and other means of transport: 78 passenger vehicles, 11 trailers and towing vehicles, three snowmobiles, two motorcycles, two trailers, one personal watercraft, one yacht, one tractor and one goods vehicle. Other high-value movable items were also temporarily seized, including 34 luxury watches from brands such as Rolex and Cartier, 11 firearms, four ammunition magazines, 8,155 rounds of ammunition, 22 knives and three bayonets.

Other prosecution offices also took action in this area in 2025. In three cases handled by the Higher State Prosecutor's Office in Podgorica, the prosecutor proposed interim measures; by decision of the Higher Court in Podgorica, three cars and funds totalling EUR 67,140.00 were temporarily seized.

The Basic State Prosecutor's Office in Bijelo Polje also conducted a financial investigation in which it proposed prohibiting the disposal and use of movable items, with the prohibition to be entered in the relevant registers. The application concerned three passenger vehicles: a Fiat Panda, a Smart Fortwo Coupé and a Volkswagen Passat. The competent court granted the prosecutor's application, and the interim measure remained in force.

In 2024, passenger cars, motorcycles and vessels were temporarily seized in five cases. A further 12 luxury watches, valuable jewellery and 169 different antiques were seized, demonstrating the wide range of assets covered by interim measures.

Available data for 2023 show that temporarily seized movable property included a number of valuable items, among them several luxury watches, an item by Cartier, 18 paintings, 39 passenger motor vehicles—including a Bentley—eight goods vehicles, and items held in a safe at a commercial bank.

Taken together, the data show an increase in the volume and variety of movable property covered by interim measures. They indicate more intensive use of financial investigations to identify and secure high-value movable assets, as well as stronger capacity among state prosecution offices to act promptly to prevent disposal or concealment.

4.1.4 Other measures

In addition to interim measures concerning immovable property, funds and movable property, the practice of the Special State Prosecutor's Office shows that other statutory asset-protection measures are also used in financial investigations. These principally include prohibitions on the disposal or encumbrance of shares or interests in companies, with the prohibition recorded in public registers, as well as measures prohibiting the disposal of rights arising from contractual obligations. Although less common than measures concerning immovable property and funds, they are particularly important in complex cases where assets are formally held through companies or corporate interests.

In 2025, interim measures prohibiting the disposal and encumbrance of shares, with the prohibition entered in public registers, were imposed in three cases handled by the Special State Prosecutor's Office. The market value of shares owned by six natural persons and covered by these measures was EUR 283,243.85. In addition, one case involved an interim prohibition on the disposal and encumbrance of shares or interests in a company; the legal entity's registered share capital covered by the measure amounted to EUR 281,056.20. In 2024, such measures were imposed in two cases. The market value of shares held by two natural persons and covered by a measure was EUR 11,077.82, while the total capital of the legal entities covered by the measures was EUR 267,681.00, with total assets estimated at EUR 2,304,988.00. Available data for 2023 show that a prohibition on the disposal and encumbrance of shares or interests in companies was imposed and recorded in public registers, covering registered capital of EUR 581,056.20.

Over the three-year period, the use of these measures appears to have developed gradually, reflecting the complexity of financial investigations and an increased focus on identifying assets held not directly by natural persons but through company interests, shares and other forms of corporate property.

4.2 Applications for permanent confiscation of proceeds of crime

Permanent confiscation of proceeds of crime is a key instrument for depriving offenders of the economic benefits obtained through criminal activity. Unlike interim measures, which preserve assets until proceedings are completed, permanent confiscation entails the final transfer of assets to the State pursuant to a court decision made in accordance with the procedure prescribed by law. Data for 2023–2025 show that the Special State Prosecutor's Office

continued to act in this area, although the number of applications varied according to the stage of criminal proceedings and whether the statutory conditions for permanent confiscation had been met. A total of five applications for permanent confiscation were submitted during those three years.

- In 2025, the Special State Prosecutor's Office submitted one application for permanent confiscation. It concerned two passenger motor vehicles and immovable property, namely forest land measuring 2,570 m² and a meadow measuring 1,771 m².

- In 2024, the Special State Prosecutor's Office submitted one application for permanent confiscation. In response, the Higher Court in Podgorica permanently confiscated a Mercedes-Benz S600 passenger vehicle.

- In 2023, the Special State Prosecutor's Office submitted three applications for permanent confiscation of proceeds of crime. The first concerned land measuring 436 m² classified as meadow, a further meadow measuring 413 m² and a Mercedes passenger vehicle. The second concerned a Porsche Cayenne 3.0 passenger vehicle. The third covered assets of substantial value and varied composition: a family residence in Podgorica with separate units; several properties in Budva, including non-residential premises, three garages and 17 commercial premises with a total area of 706 m²; residential premises measuring 68 m²; a Mercedes-Benz GLE 350d 4M passenger vehicle; and two Rolex watches.

While this study was being prepared, the Special State Prosecutor's Office submitted three further applications for permanent confiscation in the second half of 2026, concerning five persons:

- On 6 October 2026, the Special State Prosecutor's Office applied to the Higher Court in Podgorica for permanent confiscation of proceeds of crime from convicted person R.Z. The application sought confiscation of immovable property—including residential buildings, flats, commercial premises, garages, orchards, yards, swimming pools and other property—with a combined area of at least 54,567 m² in Podgorica, Kotor, Herceg Novi and Tivat, as well as high-value armoured passenger vehicles. The application describes numerous properties held formally in the names of companies or third parties but alleged to be beneficially owned by the convicted person. The properties include several flats and duplexes in Podgorica; residential and commercial buildings and forest land in Kavač, Dub and other locations in the Municipality of Kotor; properties in Dobrota and Škaljari; and property in Herceg Novi and Bogišići in the Municipality of Tivat. It also includes two special-purpose Mercedes G500 passenger vehicles formally registered to D.M. but alleged to be beneficially owned by the convicted person. The application further itemised, among other assets, five flats in Podgorica measuring 85, 82, 52 and 72 m² (two flats of 72 m²), two of them duplexes, formally owned by company "M.I." LLC but alleged to belong beneficially to R.Z.; a multi-storey residential building with a 355 m² duplex five-room flat and two non-residential premises, together with a yard and orchard, totalling 2,217 m² in Kavač; a multi-storey building in Dub comprising five residential, ten non-residential and four commercial units, totalling 1,238 m²; property in Sutvara totalling 1,408 m²; residential premises with an attic and two garages totalling 201 m² in Kavač; a 140 m² residence and 37 m² garage in Dobrota; forest land totalling 18,411 m²; a building with residential and non-residential premises, a yard and four orchards totalling 1,912 m²; two residential buildings, ten garages, a yard and forest land

totalling 1,602 m²; forest and meadow land totalling 3,004 m²; forest and a building plot totalling 3,000 m²; forest and other property totalling 1,641 m²; land measuring 1,092 m²; a 188 m² yard in Škaljari; property in Herceg Novi; and land totalling 18,113 m² in Bogišići, Tivat. The source states that several properties were formally registered to the convicted person's wife, mother-in-law, other relatives, companies or third parties, but were alleged to be beneficially owned by him.

- On 7 October 2026, the Special State Prosecutor's Office applied to the Higher Court in Podgorica for permanent confiscation of proceeds of crime from M.V. The application sought confiscation of immovable property—including residential buildings, flats, commercial premises, yards, a swimming pool and a vineyard—with a total area of at least 19,131 m² in Podgorica and Nikšić, as well as a high-value armoured passenger vehicle. The listed assets include a family residence and other property in Podgorica, premises formally registered to the convicted person's mother, sister or another person but alleged to be beneficially owned by the convicted person, a vineyard in Donja Gorica, unregistered residential structures and a swimming pool in Bioče, and land, buildings, meadows, pastures and forests in Nikšić. The application also concerns an armoured Audi A8 6.3 W12 Quattro. The application specifically identified a 561 m² family residence with yard in Doljani, Podgorica; a 69 m² flat formally registered to the convicted person's mother; a 74 m² flat formally registered to his sister; two commercial premises totalling 90 m² in Hercegovačka Street, Podgorica, formally registered to G.Č.; a 450 m² vineyard in Donja Gorica; residential structures and a swimming pool in Bioče not recorded in the land register; a 504 m² first-class meadow in Doljani; a building containing two one-bedroom flats and one two-bedroom flat, with a yard, meadows and pastures totalling 6,853 m² in Povija, Nikšić, formally registered to his mother-in-law; forest land totalling 10,530 m² in Bogetići, Nikšić, also formally registered to his mother-in-law; and an armoured Audi A8 6.3 W12 Quattro.

- The third application was submitted to the Higher Court in Podgorica within the statutory time limit and concerned convicted persons S.K., I.B. and D.K. It sought permanent confiscation of immovable property with a total area of at least 10,399 m² in Kotor, Tivat, Budva, Cetinje and Podgorica. The assets listed included family houses, flats, garages, ancillary buildings, yards, meadows, pastures, arable land and forest land, including some properties formally registered in the names of third parties but alleged to be beneficially owned by the convicted persons. For completeness, the application concerning S.K., I.B. and D.K. specifically listed the following assets: a family residence with a yard comprising three flats and a garage, totalling 404 m², in Dobrota, Kotor, owned by S.K.; a family residence comprising two flats, two ancillary buildings, pasture, meadow and arable land, totalling 5,544 m², in Škaljari, Kotor, owned by S.K.; a 229 m² family residence with a yard in Dobrota, Kotor, co-owned by S.K.; two flats totalling 138 m² in Tivat, owned by S.K.; eight flats in a residential building in Budva, totalling 406 m², owned by S.K.; a house in Njeguši, Cetinje, not recorded in the land register, owned by S.K.; forest land totalling 1,505 m² in Radovanići, Herceg Novi, formally registered to another person but alleged to be beneficially owned by S.K.; a 120 m² flat in Dobrota, Kotor, owned by I.B.; buildings, garages, a yard and forest land totalling 1,602 m² in Kavač, Kotor, co-owned by D.K.; two flats with three garages totalling 301 m² in Kavač, Kotor, owned by D.K.; and a 93 m² flat with a 57 m² garage in Podgorica, formally registered to another person but alleged to be beneficially owned by D.K.

Taken together, the applications concern a wide range of assets, from motor vehicles and luxury movable items to residential and commercial buildings, land and other high-value immovable property. Permanent confiscation presupposes a final conviction; consequently - the actions of the Special State Prosecutor's Office and the number of applications submitted are significantly affected by that procedural requirement.

4.3 Permanent confiscation of assets

Permanent confiscation is the ultimate and most important objective of financial investigations, as it involves the final confiscation of proceeds proved to have been acquired through criminal activity. Unlike interim measures, which preserve assets until criminal proceedings are completed, permanent confiscation stands for the State's final legal and institutional response to the economic gains obtained by individuals or organised groups through crime. Through this mechanism, the State gives effect to the principle that crime must not be a means of retaining assets or economic benefit.

Although the data in this report show a continuing increase in financial investigations, more frequent interim measures and a substantial volume of assets temporarily secured, permanent confiscation remains the weakest link in the overall system of financial investigations in Montenegro. There is a marked disparity between the value and volume of assets covered by financial investigations and interim measures, on the one hand, and the volume of assets permanently confiscated by final court decisions, on the other. The reasons are multiple and arise from the complexity of permanent confiscation as well as procedural and institutional constraints.

According to information provided to CeMI by the Supreme Court during preparation of this analysis, one non-final decision on permanent confiscation was issued between 2023 and 2025, in case Kvs No. 824/24. Proceedings in cases Kvs No. 560/23 and Kvs No. 834/25 remained ongoing. In its response to a freedom-of-information request, the Supreme Court also stated that in December 2023 the Higher Court in Podgorica permanently confiscated immovable property in case Kvs No. 629/23 following a plea agreement involving two accused legal persons. The legal persons had been found guilty of continued money laundering under Article 268(4), read in conjunction with paragraphs 3 and 1, and Article 49 of the Criminal Code of Montenegro, in conjunction with Article 5 of the Law on the Liability of Legal Persons for Criminal Offences; they were sentenced to cease to exist. The property's value had not been assessed in the court proceedings, although available information suggested that it was extremely valuable, potentially worth several million euros.

A recent development was also reported in a statement by the Special State Prosecutor's Office: on 7 May 2026, the Court of Appeal of Montenegro issued a decision on an application for permanent confiscation submitted by the Special State Prosecutor's Office, permanently confiscating a Porsche Cayenne 3.0 passenger vehicle registered to another person. According to the Office, the vehicle was permanently confiscated because it had been acquired through criminal activity and the convicted person had been finally found guilty of creating a criminal organisation and unauthorised production, possession and distribution of narcotic drugs.

Concluding observations

An analysis of the effects of financial investigations in Montenegro between 2023 and 2026 shows visible progress in their implementation, although their outcomes remain limited. Considering the legal framework, institutional practice and available statistical indicators, financial investigations appear to have moved from limited use towards more intensive and systematic application, particularly in 2025.

The number of financial investigations initiated increased at all levels of the prosecution service. From 2023 to the end of 2025, the Special State Prosecutor's Office alone initiated 51 financial investigations against 345 natural persons and seven legal persons, with the number of new investigations more than doubling from 12 in 2023 to 26 in 2025. Importantly, a mechanism that had for years been used predominantly by the Special State Prosecutor's Office began to be applied by higher and basic state prosecution offices as well. For example, basic prosecution offices initiated no financial investigations in 2023 but initiated 32 in 2025, one of the most notable changes during the period under review.

The Supreme State Prosecutor's Instructions on conducting preliminary financial inquiries and financial investigations, issued in March 2025, were a key turning point. They helped standardise approaches, improve coordination within the prosecution service, introduce more systematic case monitoring and reinforce the understanding that the financial aspects of a criminal case must be considered at the earliest stages of proceedings.

In terms of practical outcomes, the most notable improvement concerns the use of interim measures to secure assets. During the period covered by the analysis, there was a significant increase in cases involving prohibitions on the disposal of immovable property, the blocking of funds, the temporary seizure of movable assets and other measures concerning shares, company interests and property rights. The value of funds seized at commercial banks rose from EUR 6.18 million in 2023 to EUR 49.39 million in 2024 and more than EUR 69 million in 2025, alongside additional sums in foreign currencies. The value of funds temporarily blocked therefore increased more than elevenfold in just two years. The scale of temporarily seized movable property was also significant: in 2025 alone, 100 vehicles and other means of transport were temporarily seized, including passenger vehicles, motorcycles, trailers, a yacht and a personal watercraft, along with 34 luxury watches and substantial quantities of weapons and ammunition. Applications for interim measures in 2025 covered approximately 1.9 million m² of immovable property. Courts accepted a high proportion of the prosecution's applications, indicating the quality of the applications and the sound basis of the preceding financial investigations.

At the same time, the analysis clearly identifies a substantial mismatch between the results achieved in temporary securing of the assets and those achieved in permanent confiscation of proceeds of crime. Despite the increase in financial investigations and in the value of assets covered by interim measures, the number of proceedings for permanent confiscation concluded by final decisions remains limited. Permanent confiscation continues to be the weakest link in Montenegro's financial-investigation system.

The European Union has repeatedly highlighted the need to improve results in permanent confiscation. The European Commission's 2025 Report on Montenegro stated that results in

this area remained limited and that practice needed to be strengthened. The Commission emphasised the need for a credible and consistent track record of seizure and final confiscation of proceeds of crime, alongside systematic use of financial investigations to trace, identify and confiscate criminal proceeds. Permanent confiscation is also particularly important in the context of completing Montenegro's accession negotiations. Under the closing benchmarks for Chapter 24 – Justice, Freedom and Security – a key EU requirement is to establish measurable and sustainable results in asset seizure and permanent confiscation. Given the limited results achieved to date, meeting this requirement appears challenging.

For this reason, improving outcomes in permanent confiscation remains a key priority for the coming period. Progress in financial investigations and interim asset protection provides an important foundation, but the full impact of efforts to combat organised crime and corruption will be demonstrated only by stronger results in permanent confiscation through final court decisions.

Recommendations for improving the system of financial investigations and asset confiscation in Montenegro

Based on the findings of this analysis, the following recommendations are proposed to further improve the system of financial investigations and the confiscation of proceeds of crime in Montenegro.

- **Intensifying work on permanent confiscation as a key priority in the EU accession process**

Particular focus should be placed on improving results in the permanent confiscation of proceeds of crime. The European Union places particular emphasis on establishing a track record of parallel financial investigations in cases involving organised crime, corruption, economic crime and money laundering, and on effectively linking those investigations to confiscation proceedings. This is especially important for meeting the closing benchmarks under Chapter 24 and remains a key indicator of Montenegro's progress towards EU membership.

- **Strengthening the practice of initiating parallel financial investigations in high-risk cases**

The practice of initiating financial investigations in parallel with criminal investigations should be strengthened further in cases involving organised crime, high-level corruption, money laundering and economic crime. A financial investigation should not be treated as an exception or as a subsequent step in proceedings, but as an integral part of the prosecution strategy from the earliest inquiry stage, particularly in high-risk cases. Particular attention should be paid to consistent implementation of the Supreme State Prosecutor's 2025 Instructions and to establishing a practice across all prosecution offices whereby the financial dimension is assessed in every case with potential for unlawful gain.

- **Strengthening specialised staffing and expertise in prosecution offices**

Further development of the system requires stronger professional and technical capacity within state prosecution offices, particularly through the engagement of economic and finan-

cial advisers to provide ongoing support to prosecutors. The complexity of financial investigations calls for a multidisciplinary approach that goes beyond the criminal-law expertise alone. Prosecution offices should systematically plan to recruit financial analysts, accountants and forensic-finance experts, particularly outside the Special State Prosecutor's Office.

- **Establishing a unified statistical system for monitoring financial investigations and confiscated assets**

One challenge in assessing the results of financial investigations is the limited availability and inconsistency of data. A unified methodology should be developed for recording and reporting financial investigations, interim measures, applications for permanent confiscation and assets permanently confiscated by final decisions across all prosecution offices and courts. Such a monitoring system would enable more precise measurement of results and more transparent reporting to the public and interested international organisations, including the EU, the Council of Europe and the OSCE.

- **Continuing specialised training on financial investigations for prosecutors, judges and police officers**

Through the Judicial Training Centre, continuous and practice-oriented training should be provided for all institutions involved in financial investigations and asset confiscation. Particular focus should be placed on EU standards for financial investigations, financial forensics, analysis of money flows, financial investigations involving mutual legal assistance and the use of financial intelligence data, etc.



CENTAR ZA MONITORING I ISTRAŽIVANJE

October 2026