

Montenegro: Gov may impose force tax collection to Energy company EPCG

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If violation of provisions of Law on the budget relating to the settlement of tax debt of Electric Power Utility of Montenegro (EPCG) continues, the Tax Administration will have to apply institute of the enforcement tax collection, which can bring to the company serious problems, a Member of Parliament warns. The state currently has 55 percent stake, while A2A 43.7 percent of EPCG.

If continues to be violated provisions of the budget relating to the settlement of tax debt Electric Power Utility of Montenegro (EPCG), the Tax Administration must apply enforced collection which can bring to the company serious problems, a Member of Parliament from the Social Democratic Party (SDP) Damir Sehovic warns. "It is the only remaining possible option based on law, if the others are not ready to be implemented," Sehovic stated.

He said that it is very dangerous that even after almost two months now, since the expiration of the legal deadline, did not increase the Government's share in the share capital of EPCG based on the company's tax debt. " By this fact we admit as a state we do not have the strength to respect not just any law, but even the annual budget law and in the part which is related to 45 million euros, " Sehovic said. According to him, thus primarily sends a bad message about Montenegro as a state and gives the impression that it is not able to ensure compliance with the law.

"It also sends a bad message and to taxpayers, because it may give the impression that one of the law must be valid, and the other does not have to be, which may further undermine the already fragile fiscal discipline," Sehovic said. The shareholders of EPCG should bring decision on the emission of shares to existing shareholders on the basis of pre-emption rights, by which the state would collect the tax debt of EPCG of 45 million euros. After completing of the transaction the state of Montenegro would have 56.96 percent stake in EPCG, A2A 41.7 percent and minority shareholders 1.34 percent of capital.

The state currently has 55 percent stake, while A2A 43.7 percent. By March 31st, the Government should collect the tax debt through recapitalization, on the basis of Sehovic's amendment, which has become an integral part of the budget. Sehovic urged relevant departments to implement policies in this area, to get serious and provide the respect of the Law on the budget, since the state, can not play with 45 million euros of Montenegrin citizens, he said. "It is weird, I will not say ridiculous, that meeting of shareholders has not been scheduled yet, which had previously been postponed twice, and during all that time we are in the process of flagrant violations of the Law on budget, which, by the way, no one disputes, " Sehovic said.

Source; Serbia Energy See Desk