Montenegro

Namanja Sladaković, Gecic Law, Belgrade

Bojan Tutić, Gecic Law, Belgrade

1.   What is the understanding or definition of AI in your jurisdiction?

Montenegro currently lacks a formal definition of artificial intelligence (AI). However, as AI technologies continue to permeate various sectors of society, including healthcare, finance, transportation and beyond, the absence of a clear-cut definition poses challenges in understanding and regulating its implications.

However, due to the Stabilisation and Association Agreement (SAA) through which Montenegro undertook to harmonise the country's legal landscape with EU regulation, Montenegro might adopt a definition of AI similar to the one prescribed in the EU AI Act.

2.   In your jurisdiction, besides legal tech tools (ie, law firm or claim management, data platforms, etc), are there already actual AI tools or use cases in practice for legal services?

In Montenegro, the use of AI tools within the legal field is still in its early stages. While no significant locally developed AI applications tailored specifically for legal services exist, various international and commercially available tools are gaining traction. These tools are predominantly employed by larger law firms and corporate legal departments. They encompass document automation systems, helping to draft and manage legal documents, and legal research platforms that utilise AI to sift through extensive amounts of legal data to find relevant case law and statutes.

Furthermore, predictive analytics tools are beginning to enter the Montenegrin legal market. These tools analyse past legal decisions to forecast the outcomes of similar cases, providing lawyers with valuable insights into probable judicial tendencies, which can inform litigation strategies and client advisories.

In addition, AI is being explored for its potential to enhance due diligence processes, by quickly processing and reviewing large datasets, such as contracts and legal documents, to identify hidden risks and obligations that may elude human reviewers.

Moreover, the integration of chatbots, including ChatGPT, and virtual assistants is gaining momentum in the legal sector, assisting with basic client interactions and routine tasks. This not only boosts operational efficiency, but also lightens the workload of legal professionals.

Despite these advancements, the widespread adoption of sophisticated AI tools in Montenegro's legal sector remains relatively limited compared to some Western jurisdictions. This is partly due to the high costs associated with advanced AI systems and the absence of local developments focused on AI applications tailored to Montenegrin laws and languages. However, as AI technology becomes more accessible and its potential benefits more widely recognised, its adoption is expected to increase across independent law firms, international law firms and in-house legal departments in Montenegro.

3. **If yes, are these AI tools different regarding: If yes, are these AI tools different regarding:**
   • independent law firms;
   • international law firms; and
   • in-house counsel;
   and what are these differences?

In Montenegro, the utilisation of AI tools in the provision of legal services varies based on the type and size of the legal entity, reflecting differences in resource availability, specific requirements and the exposure to international standards:

- *Independent law firms*: smaller, independent law firms in Montenegro typically employ AI in a more restricted capacity. Common uses include basic document automation and management systems aimed at streamlining the handling of legal documents. Budget constraints often limit investment in more advanced AI technologies.

- *International law firms*: with their broader international reach, synergies within larger groups and greater financial resources, international law firms in Montenegro can implement sophisticated AI systems. This may include advanced legal research tools utilising machine learning for case law analysis and outcome prediction, as well as complex case management systems integrating various legal work aspects. Such firms are also more inclined to utilise AI for intricate processes like predictive analytics for litigation and transactions, along with risk assessment tools requiring substantial computational power and advanced algorithmic support.

- *In-house counsel*: in Montenegro, in-house legal departments within corporations utilise AI tools differently, prioritising efficiency and risk mitigation. They commonly employ contract management systems for automating the creation, review and monitoring of legal agreements, along with compliance tools ensuring adherence to regulations and standards. These AI systems are often customised to optimise operational efficiency and support strategic business decisions, aligning directly with the company's objectives.

It is important to note that these distinctions arise within a context where sophisticated legal AI tools have a relatively low presence in Montenegro. As Montenegro's legal market evolves, these discrepancies may diminish with the increasing integration of AI across all tiers of legal practice.

4. What is the current or planned regulatory approach to AI in general?

While there are no current, nor publicly available, plans for future regulatory approaches to AI, Montenegro's alignment with European Union policies, facilitated by the SAA, will significantly influence its regulatory environment. Through the SAA, Montenegro has committed to gradually harmonising its legislation with EU standards, including the impending adoption of the EU AI Act. The EU AI Act represents a comprehensive legal framework aimed at regulating AI usage across EU Member States, focusing on risk assessment, compliance requirements, and fostering trust and accountability in the AI ecosystem.

5. What are the current or planned regulations on the general use of AI or machine learning systems?

Despite the absence of dedicated legislation on AI, Montenegro applies existing laws and regulations to AI usage in specific contexts. For example, the Montenegrin Constitution safeguards privacy and personal data. The Personal Data Protection Act delineates procedures for processing and safeguarding personal data, particularly pertinent to AI systems utilising such data. Montenegro has ratified several international treaties addressing AI-related issues, such as the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (Convention 108).

The Ministry of Science and Technological Development plays a pivotal role in advancing AI development within Montenegro. It leads initiatives to foster innovation and research in AI and related fields, positioning Montenegro to stay abreast of global technological advancements.

6. Is free data access an issue in relation to AI?

Unrestricted access to data poses several challenges, particularly concerning the protection of intellectual property and personal data security. As AI systems heavily rely on data for training and operation, striking a balance between data accessibility and respecting privacy laws and intellectual property rights becomes paramount.

In Montenegro, similar to the EU, there exists a pressing need to reconcile data availability for AI development with the rights of data owners. The utilisation of large datasets raises intricate intellectual property issues, particularly when proprietary information is involved. Unauthorised data usage can lead to copyright,

or trade secret infringements, potentially stifling innovation and dissuading creators if not adequately safeguarded.

Montenegro faces challenges akin to those encountered in the EU regarding stringent data protection requirements, notably under the General Data Protection Regulation (GDPR), which it adheres to. AI developers must ensure that any personal data utilised in training and deploying AI systems complies with these stringent privacy standards. This entails obtaining proper consent, practicing data minimisation and fortifying data against unauthorised access. Upholding the right to data privacy is paramount, as any breach could result in legal consequences and erode public trust in AI technologies.

The Montenegrin legal framework must furnish clear guidelines on data access for AI usage, while safeguarding intellectual property and complying with privacy regulations. This dual imperative necessitates delicate management by policymakers. Effectively addressing these issues is crucial for cultivating a robust AI ecosystem conducive of innovation yet grounded in responsibility.

7. Are there already actual court decisions on the provision of legal services using AI or decisions concerning other sectors that might be applicable to the use of AI in the provision of legal services?

Currently, Montenegro lacks public court cases directly relevant to the use of AI in legal services provision. The integration of AI within the legal sector is still in its early stages and, consequently, there have been no established precedents specifically addressing AI's role in legal processes.

Given these circumstances, it is plausible that future regulations or legal decisions concerning AI in Montenegro may evolve to address similar concerns within the legal sector, ensuring that AI tools enhance rather than undermine the integrity of legal services. As AI's usage expands in both scope and complexity, the legal framework in Montenegro is likely to adapt, potentially drawing insights from cases and regulations from sectors like media to inform guidelines and standards for AI in law.

8. What is the current status – planned, discussed or implemented – of the sectorial legislation in your jurisdiction on the use of AI in the legal profession or services that are traditionally provided by lawyers?

Currently, there are no enacted laws in Montenegro that explicitly regulate AI applications for legal services. However, the topic is gaining attention due to the increasing relevance of AI technologies across various sectors.

Educational and professional initiatives

There's a growing emphasis on educational and professional development programmes geared towards equipping legal professionals with the knowledge and skills necessary to effectively utilise AI tools. These initiatives are critical for ensuring that legal practitioners can efficiently utilise AI technology, while comprehending the ethical implications and regulatory requirements associated with AI usage.

Alignment with international standards

As Montenegro seeks closer alignment with international standards, particularly in light of agreements like the SAA, the country is likely to consider international best practices and recommendations when drafting regulations concerning AI in the legal profession. This alignment might involve adopting standards similar to those proposed in the EU AI Act, which emphasises risk management, transparency and accountability in AI applications.

Impact on traditional legal services

The integration of AI into legal services prompts questions about its impact on traditional legal practices. AI has the potential to transform areas such as case prediction, document analysis and legal research, tasks traditionally time consuming and ripe for improvement through automation and AI technologies. However, it is crucial to balance these advancements with the need to uphold human judgment and ethical considerations central to the practice of law.

9. What is the role of the national bar organisations or other official professional institutions?

In Montenegro, the Bar Association holds a pivotal role in representing the legal profession, advocating for its interests, and ensuring the proper and lawful practice of legal services. Key responsibilities include enhancing professional and ethical standards, developing the legal profession, and bolstering professional discipline and accountability among its members. With these competencies, the Bar Association is strategically positioned to address the integration and ethical use of AI within the legal profession.

As AI technologies become more prevalent in legal practice, the Bar Association could potentially lead initiatives to define and enforce guidelines for the proper and ethical use of AI. This action would likely occur once AI usage reaches a certain level of maturity and prevalence within the profession.

Moreover, other professional institutions such as the Chamber of Public Enforcement Officers, the Prosecutor Association of Montenegro and the Chamber of Public Notaries also play significant roles in upholding the professional and ethical standards of their respective members. These bodies are crucial in ensuring that their members, who may increasingly use AI tools in their practices, remain compliant with established legal standards and ethical guidelines.

These institutions might collaborate or individually take steps to educate members about the potential and pitfalls of AI technology through training sessions and workshops. They could also develop guidelines specifying acceptable uses of AI in their respective fields, focusing on issues such as data privacy, the accuracy of AI-generated information and the prevention of bias.

Furthermore, they can monitor compliance by overseeing the adoption and usage of AI tools to ensure they align with professional responsibilities and ethical obligations. Additionally, they can advocate for regulation by representing the profession's interests in discussions with regulators and lawmakers regarding future AI regulation, ensuring any new laws or policies consider the practical aspects of the legal profession.

The proactive engagement of these professional bodies is crucial not only to harness the benefits of AI, but also to mitigate the risks, ensuring that the deployment of AI technologies in legal services enhances rather than undermines the quality and integrity of the profession. As AI evolves, the role of these organisations in guiding and regulating its use will become increasingly important, marking a significant aspect of their contribution to the legal landscape in Montenegro.