


# COMPANY FOUNDATION, TAXES AND EMPLOYMENT LAW IN KOSOVO

CORPORATE LAW ▪ TAX LAW ▪ LABOUR LAW ▪ ENTRY AND RESIDENCE

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# 1. GENERAL OVERVIEW

Since June 1999, when NATO forced the withdrawal of Yugoslav forces from Kosovo, the province of Kosovo has been subject to an international civil and security presence. On 10 June 1999, the United Nations Security Council installed the United Nations Interim Administration in Kosovo (UNMIK) through Council Resolution 1244 as a UN peace-keeping mission for the rebuilding and reconstruction of Kosovo. The United Nations Security Council gave considerable power to this mission. In fact, the highest legislative and executive power was granted to UNMIK. The Special Representative of the UN Secretary General heads the civil administration. Three international organizations now operate the four pillars of the UNMIK structure: Pillar I “Police and Justice” (UN); Pillar II “Civil Administration” (UN); Pillar III “Democratisation and Institution Building” (OSCE); and Pillar IV “Economic Reconstruction” (EU). In addition to providing an interim administration, UNMIK was charged with establishing an independent, impartial and multi-ethnic judiciary.

The international security presence (KFOR) operates under a unified military leadership separate from UNMIK. It was deployed to ensure the continuous cessation of hostilities, provide a safe environment for all Kosovo residents, and facilitate the safe return of displaced persons. KFOR and its international personnel are not subject to the authority of UNMIK and, like UNMIK, enjoy immunity from the Kosovo courts.

UNMIK has gradually handed over many of its authorities to local bodies. In early 2001, UNMIK established twenty central administrative departments, which were jointly led by national and international co-heads. Local elections in October 2000 led to the establishment of thirty municipal assemblies throughout Kosovo. In 2001, an expert working group with international and national members drafted a constitutional framework for the handover of central government functions to the people of Kosovo. The framework provided for an assembly, a prime minister, and a president of Kosovo, as well as ten central government ministries initially, which now has been increased to fifteen. Elections in October 2001 and 2004 resulted in the formation of a 120-member assembly. Parliament members (and therefore members of the assembly) are elected for 3 years.

UNMIK distinguishes between “transferred powers”, which are completely handed over to the locally elected government (the Provisional Institutions of Self-Government) and its ministries, and “reserved powers”, for which UNMIK retains an ultimate veto power. For example, public enterprises and customs are a reserved power, although the institutions are now almost run entirely by Kosovar residents.

Until October 2005, UNMIK pursued the policy of the so-called “standards before status”. Thus minimum requirements concerning policy, administration and, in particular, concerning ethnic issues were required to be met before or as part of a decision concerning the future status of Kosovo.

At the end of September 2005, a report, completed by order of the UN Secretary General concerning the development of Kosovo, was finalized. In this report the recommendation was issued “to take the next step in the political development of Kosovo” despite “material deficiencies”. Based on this report, the United Nations Security Council decided on 24 October 2005 to start negotiations concerning the future status of the Kosovo province.

On 20 February 2006, the first negotiations concerning the status of Kosovo began in Vienna. They were conducted by the former Finnish president Martti Ahtisaari. While the Kosovo-Albanians sought full governmental independence for the province, Belgrade refused to support this goal.

In the beginning of February 2007, Martti Ahtisaari presented a proposal of the United Nations<sup>1</sup>, according to which Kosovo shall be entitled to maintain its own national symbols and become a self-contained member of international organizations and a party to international treaties. Therefore, Kosovo could attain internationally observed autonomy. While the report did not initially use the word “independence” or “sovereignty”, Ahtisaari has acknowledged subsequently that the plan foresees independence. As of the time this report was written, the exact status of Kosovo and, in particular, the timing of its planned independence were still the subject of international discussions.

## 1.1 History of the Legal System

Under the 1974 constitution of the SFRY, Kosovo enjoyed the status of an “autonomous-province” within the SFRY and, as such, enjoyed substantial sovereign rights.

As an autonomous province in the SFRY, Kosovo had a parliament, a court system, a supreme court, and a constitutional court. In March 1989, Kosovo’s autonomy was severely restricted by Serbia, which assumed power over the police, the courts and social institutions (the so-called Markovic Decrees). All Kosovo Albanian judges and prosecutors were dismissed from their positions. While some began work as private lawyers, many were forced out of the legal profession completely.

Following the end of the war in June 1999, the court facilities were dilapidated and in a state of severe disrepair. Many Kosovar residents who had served on the judiciary prior to the war had fled the province or had not practised for a decade.

## 1.2 Applicable Law

UNMIK Regulation no. 1999/24, as amended by UNMIK Regulation no. 2000/59, on the law applicable in Kosovo provides that:

The law applicable in Kosovo shall consist of (a) UNMIK regulations; and (b) the law in force in Kosovo on 22 March 1989. If a subject matter is not covered by (a) or (b), but is covered by another law in force in Kosovo applicable after 22 March 1989, then such law shall apply, provided it is not discriminatory.

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<sup>1</sup> <http://www.unosek.org>



As a general rule, UNMIK regulations<sup>2</sup> supersede any other sources of law, and are therefore the primary resource of applicable law. The Kosovar Parliament (the “Assembly”)<sup>3</sup> may decide on laws, but these laws can become effective only through correlative regulations of UNMIK that are signed by the Special Representative of the UN Secretary General (currently Joachim Rucker). The Kosovar government has indicated that it is likely to continue to recognize UNMIK regulations and laws, even after any status change, as prima facie applicable, subject to some regulations that it wishes to change. Thus, for example, the substance of the UNMIK regulations on the environment and taxes would continue to apply.

The laws of the former Federal Republic of Yugoslavia are only applied to a very limited extent in Kosovo’s legal practice.

### 1.3 The Court System

Kosovo’s court system currently is composed of 23 municipal courts, five district courts, one commercial court and the Supreme Court (the latter two both being in Prishtina). The minor offences court system includes 24 municipal courts for minor offences and the high court for minor offences. A special Supreme Court chamber on constitutional framework matters is provided for in the constitutional framework.

An additional civil or commercial court run by Kosovo Serbs and supported by Belgrade operates without UNMIK authorization in Leposavić/Leposaviq in northern Kosovo. Moreover, some cases within the territorial jurisdiction of Kosovo involving Kosovo Serbs are disputed in courts in Serbia.

Lay judges serve alongside professional judges on three- and five-judge panels at the municipal court and district court level. Lay judges have no special legal or other training and their votes carry as much weight as those of professional judges.

UNMIK has appointed international judges and prosecutors to the district courts and to the Supreme Court. The international judges work exclusively on criminal cases, dealing primarily with sensitive cases involving alleged war crimes or inter-ethnic violence.

The municipal courts operate as courts of first instance for criminal offences punishable with sentences of up to five years imprisonment and as courts of first instance for civil inheritance matters, labour relations and other civil matters.

The district courts hear appeals from the decisions of the municipal courts. They also serve as courts of first instance for criminal offences punishable by sentences of more than five years, major property disputes, copyright disputes and patent disputes within their competences. The commercial district court hears economic disputes and economic offences.

<sup>2</sup> Regulations until (inclusive) 2005: <http://www.unmikonline.org/regulations/index.htm> , Regulations of 2006: <http://www.unmikonline.org/regulations/unmikgazette/02english/e2006regs/e2006regs.htm> , Regulations of 2007: <http://www.unmikonline.org/regulations/unmikgazette/02english/e2007regs/e2007regs.htm>

<sup>3</sup> See <http://www.assembly-kosova.org/?krye=home&lang=en>

The Supreme Court of Kosovo operates as a court of appeal in some cases, hears direct appeals from cases originating in the district courts, and will have a special chamber to address inconsistencies between laws passed by the assembly and contained in the constitutional framework. Administrative appeals, e.g. against the tax panel or Ministry or municipality decisions go straight to the Supreme Court, which suffers from a severe backlog of these types of cases, hence the creation of a special division.

The commercial court hears cases between two legal entities (i.e., not cases between a personal business enterprise and another enterprise), such as two limited liability companies, as well as cases referred by the Special Chamber of the Supreme Court.

The Special Chamber of the Supreme Court of Kosovo hears property cases relating to public and social enterprises and cases relating to privatization and liquidation undertaken by KTA. It often refers cases to the commercial or municipal courts for a decision.

The minor offences courts hear minor offences that are punishable by a fine or imprisonment of no longer than sixty days. Decisions of the minor offences courts are taken to a single high court of minor offences, which has territorial jurisdiction over all of Kosovo.

A new law on courts is in the process of being promulgated. Under the Regulation on Foreign Investment, companies under international ownership can always choose arbitration. UNCITRAL and ICC arbitration are the two recognized systems, although there is no permanent chamber of either in Kosovo.

## 1.4 The Concept of Social Ownership

A very important aspect of the Kosovo economy is the privatization of socially-owned enterprises (SOE) in Kosovo, because before 1989 almost all economic activities were operated through SOEs.

The concept of social ownership is a long-standing legal concept of the SFRY. It stems from the communist doctrine of common ownership in the means of production (i.e. everything is owned by the workers, who contribute to the betterment of society). The SOEs reflected this concept. Enterprises existed that were entirely socially owned. These enterprises were managed by a works council. Combinations of socially and privately owned enterprises were introduced by later laws. These laws provided for the possibility of acquiring private ownership in previously entirely socially owned enterprises (e.g. through the transfer of shares to employees). The concept of private ownership rights in enterprises was continuously refined, and resulted in socially owned enterprises issuing shares to employees and private entities. In most cases, this resulted in mixed enterprises that were partially socially and partially privately owned. However, the legal system prior to 1989 did not provide for rules on the sale of socially owned property, the liquidation of enterprises in social ownership or the privatization of such entities. Only after 1989 was the sale of socially owned property or entire enterprises in social ownership provided for in the SFRY legislation. All of these laws have now been replaced by UNMIK regulations and are relevant only for a better understanding of the history of SOEs.

## 1.5 Gender Equality and Ethnic, Age and Disability Discrimination

The Law on Gender Equality in Kosovo no. 2004/2 in connection with UNMIK Regulation no. 2004/18 provides for the equal treatment of men and women in Kosovo and the Law on Discrimination outlaws ethnic, age or disability discrimination. Public and private enterprises, as well as legislative and executive institutions, have to offer and provide the same rights and possibilities to men and women in the labour market.

## **2.**

# **CORPORATE LAW**

The provisions regarding corporate law in Kosovo are contained in UNMIK Regulation no. 2001/6. This may be replaced shortly by an updated and more comprehensive law that is modeled after EU Company Law Directives providing that existing enterprises transition under this law. It does not change the types of affected enterprises but rather provides for a more detailed legal basis for mergers, demergers and transformations, for example.

Business organizations in Kosovo must be run either as a personal business enterprise (i.e. individual entrepreneur), as a general partnership, a limited partnership, a limited liability company or a joint stock company. There is a separate law that provides for Agricultural cooperatives. It is also possible to register as a branch of a foreign company.

## **2.1 Foundation**

### **2.1.1 Personal Business Enterprises and General Partnerships**

A personal business enterprise is established by the operation of a business by a sole proprietor who is a natural person engaged in commerce. No further acts of establishment are necessary. This is the most common business form in Kosovo and more than 95% of businesses are registered in this form. The owner has unlimited liability, meaning his individual assets can be pursued in the event of default.

A general partnership comes into existence when two or more persons engage in economic business operations. A written partnership agreement is not a precondition to establishing a general partnership.

### **2.1.2 Limited Partnership**

A limited partnership consists of at least one general partner and at least one limited partner. It is incorporated by registration of the limited partnership agreement with the Business Registry. The Business Registry issues a certificate of registration, which serves as public conclusive evidence that the partnership was properly incorporated. In case of a lack of such agreement, a limited partnership has not been incorporated, and all persons who have paid-in their contributions become partners of a general partnership (and are thus fully and personally liable).

The limited partnership agreement has to contain the full name and address of each general partner. Each limited partner must have paid-in his contribution by the time the limited partnership agreement was registered in full.

### 2.1.3 Corporations

A corporation may be either a limited liability company (LLC) or a joint stock company (JSC). A first step in the foundation process is that the founders create a written agreement – known as the founder’s statement. This written agreement lists the classes of shares to be issued by the corporation.

In addition, there must be a charter and bylaws. The charter must contain:

- the name of the corporation;
- the address of its registered seat;
- a list of activities, which must be identical to the list of codes and business descriptions in the Excel spreadsheet list on the Business Registry web site;
- the charter capital (which must be at least EUR 2,500);
- the denomination of the share capital, i.e. nominal value and number of shares;
- the names and addresses of the founders; and
- the names and addresses of the directors and their ID numbers; the addresses must be home addresses (a business address is not accepted by the registry).

In addition to registering with the Business registry, it is necessary to complete a registration form, produce photocopies of the UNMIK IDs of foreign passports of the directors and shareholders, produce evidence of a recent fully paid electricity bill matching the address for the premises, a lease agreement for the premises or evidence of ownership via the cadastre. The landlord’s cadastre extract must be presented alongside any lease. Where a subsidiary is being founded by a foreign entity a notarized copy and certified translation of the foreign shareholder’s business registry extract or equivalent must be submitted.

Branches of foreign companies in Kosovo must have an authorized representative in Kosovo with an UNMIK ID.

It is possible to use a lawyer’s office or similar as the registered office either on a permanent or temporary basis.

The corporation is created when the above foundation documents are accepted for registration by the Business Registry.

### 2.1.4 Duration and costs of the foundation

Provisions regarding fees and the duration of the foundation are provided in UNMIK Administrative Direction no. 2002/22, which came into force through UNMIK Regulation no. 2001/6.<sup>4</sup>

In practice, however, the Business Registry has a simple fee structure of EUR 20 for filing any document related to a limited liability company, joint stock company, limited partner-

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<sup>4</sup> It is available under [http://www.arbk.org/en\\_default.asp](http://www.arbk.org/en_default.asp)

ship or general partnership and EUR 5 for any document related to a personal business enterprise. The fee must be paid into the central business registry account at the bank and evidence of payment must be submitted with the filing. There is also a EUR 2 fee for the certificate collection, which is paid in cash.

If a document delivered to the registrar for filing meets all requirements of UNMIK Regulation no. 2001/6, the registrar will register this within ten business days of receipt. In the case of shortcomings in the filing, the registrar should return the filing to the applicant within five business days of receipt, together with a brief written explanation of the reasons for refusal. In practice written explanations are not usually given but are given orally when the person registering visits the Registry.

### 2.1.5 The Business Registry

The Business Registry is a central register that maintains the records of all registered companies. Each registered company can be found online by entering the company name or business ID on [http://www.arbk.org/en\\_default.asp](http://www.arbk.org/en_default.asp). Application forms also are available on that site, although note that many of them are now out of date and not accepted by the registry.

The Business Registry is responsible for:

- the registration of new companies;
- the registration of trade names;
- the registration of branch offices of foreign companies; and
- the receipt of annual financial statements and business reports of LLCs and JSCs.

## 2.2 Main Focus: Corporations

According to section 24.1 of UNMIK Regulation no. 2001/6, a corporation may either be a JSC or an LLC and has to indicate its legal form in its name.

According to section 23.1 of this Regulation, a corporation is a business organization whose capital is divided into a specified number of shares. A corporation is a legal entity. Its shareholders may be legal or natural persons.

Charter capital can be paid up in cash or in kind, but in the case of joint stock companies, in the future there will be stricter rules regarding the valuations of in-kind contributions.

A corporation is liable for its obligations with all of its assets. The founders are jointly liable for the corporation's obligations if they have not paid-in their contributions to the charter capital.

## Comparison LLC – JSC

	Limited Liability Company	Joint Stock Company
Minimum charter capital	EUR 2,500 <sup>5</sup>	EUR 25,000
Number of shareholders	Up to 50	Unlimited
Transfer of shares	Pre-emptive rights exist by default so that transfer can only occur with approval of the other shareholders and the consent of the company (this is not mandatory)	By public offering or free transfer, i.e. no pre-emptive rights

### 2.3 Management of a Corporation

LLCs with more than 20 shareholders and JSCs shall allocate management functions among the shareholders' meeting, the board of directors, and the officers of the company.

LLCs with less than 20 shareholders may manage the company without a board of directors. In this case, the general meeting shall fulfil the tasks that would otherwise be assigned to a board of directors.

#### 2.3.1 Shareholder's Liabilities

The primary liability of shareholders is to pay in 50 % of the pro-rata share contribution before the corporation's registration, and to pay in the unpaid contribution within one year from the date of the corporation's registration. A penalty for non-payment can be provided in the articles of association.

In practice, there is no verification of payment in before registration and since a bank account can not be established until after registration, all companies pay in after registration.

Section 23.3 of Regulation no. 2001/6 provides that the shareholders who did not pay in their entire contributions to the charter capital are jointly and severally liable for the corporation's obligations. Therefore, the full payment of the initial charter capital is important in connection with the shareholders' protection.

#### 2.3.2 Board of Directors

The board of directors (if such a board is established, see above) has the following rights and duties:

- (a) hire and discharge officers;
- (b) authorise all agreements of the corporation;

<sup>5</sup> According to section 3 of the Administrative Direction 2001/24 amending Administrative Direction 1999/2 and implementing UNMIK Regulation no. 1999/4 on the currency permitted to be used in Kosovo, any reference to an amount payable in DM shall be replaced by the equivalent amount in Euros at the conversion rate of 1 EUR = 1.95583 DM



- (c) purchase own shares of the corporation on behalf of the corporation;
- (d) assume obligations;
- (e) determine the officers' compensation;
- (f) determine the disposition of the corporation's reserves;
- (g) ensure the observance of applicable law and accounting standards by the corporation; and
- (h) in the case of JSCs: ensuring accounting and audits occur.

In general, the directors can not assume obligations on behalf of the corporation vis-à-vis third persons individually. However, the corporation may furnish individual directors with the authorization to conclude certain agreements.

As part of the business registration, an "Information" sheet is produced, which usually shows the authorization of each director. This is reviewed by companies and authorities in Kosovo to see if someone has the power to sign.

The managing board of a JSC has to consist of at least three directors.

### 2.3.3 Director's Liability

No director should be held liable for any action under the Business law if he can prove that he has acted in good faith, having enquired appropriately (subject to the conflict of interest rule below).

The director is obliged by law to declare any conflict of interest and not to vote in relation to such matter.

Compared to other continental European concepts of director liability, the Kosovar standards for directors' liability under this so-called "business judgment rule" are somewhat more lenient. The standard is a subjective one (good faith of the director) and not the usual standard of an objective one (comparison with a prudent director).

### 2.3.4 Officers

Officers are appointed by the board of directors. Each corporation must have a secretary who is responsible for the preparation and administration of shareholder meetings and board meetings.

Officers are liable in the same way that directors are.

## 2.4 Limited Partnership

The general partner of a limited partnership is liable for the debts of the partnership without limitation, whereas the limited partner is liable only with his contribution to the limited partnership. Natural persons as well as legal persons can be partners in a limited partnership.

Limited partners are obliged to pay their contributions as set forth in the limited partnership agreement. A limited partner cannot represent the partnership. The limited partnership agreement as well as the business signs, letterhead and other means that expose the limited partnership's name to third parties must include the name of at least one general partner and the words "a limited partnership".

The management of a limited partnership is carried out solely by the general partners. No limited partner may participate in the management.

## **2.5 Share certificates and share registers**

Shares need not have certificates. There must however be a share register kept at the company's registered office.

## **2.6 Annual general meetings and reports**

Annual general meetings of JSCs must be held within 90 days of year end and approve the accounts. All companies (LLCs, JSCs and limited partnerships) must submit an annual report before 30 June of each year together with a copy of the accounts.

## **2.7 Transformation of entity type**

The current business law does not provide for a transformation from one entity type to another.

In practice, the registry does permit this. In order to conduct a transformation, a certificate must be produced by the tax authority showing all taxes have been paid. There is no need to notify creditors of such transformation.

## **2.8 Changes in registered details**

Changes in registered details must be accompanied by a paid KEK bill.



### **3. INCREASE IN CAPITAL, BORROWINGS & BONDS**

### 3.1 Legal Provisions

Provisions regarding increases in the charter capital of a corporation are provided by section 27 of UNMIK Regulation no. 2001/6. The shareholders' meeting can increase the charter capital by either increasing the par value of shares or by issuing additional shares. The legal provisions related to the issuance are rather general and do not go into much detail. The new draft business law provides more details regarding JSCs.

### 3.2 Bankruptcy Provisions

Law no. 2003/4 of the Assembly of Kosovo on the liquidation and reorganization of legal persons in bankruptcy, promulgated by UNMIK Regulation no. 2003/7, provides that a creditor can submit a bankruptcy petition to a court if (a) the debtor has failed to pay a debt that is at least 60 days overdue; or (b) the total amount of the overdue debt exceeds EUR 5,000. A debtor can initiate bankruptcy proceedings under the same conditions. There are also advertisement requirements. The applicable secondary legislation is in the process of being drafted.

The failure of the directors and officers to initiate proceedings when this is necessary can lead to personal liability vis-à-vis the creditors. Public and social enterprises are not subject to this Law.

# 4. FOREIGN INVESTORS

According to UNMIK Regulation no. 2001/3, foreign investors are granted the same treatment as national investors. Therefore, foreign investors may establish subsidiaries, branches, and representative offices to the same extent as domestic business organizations and foreign investors shall not be taxed less favourably than domestic business organizations, etc.

Therefore, foreign investors may:

- open bank accounts in the currencies that are legally permitted;
- transfer into and out of Kosovo profits after the payment of taxes (subject to dividend withholding taxes);
- use their investments and any income lawfully received for any lawful purpose; and
- retain the profits of their investment, and convert such into another currency in any domestic or foreign market.

Foreign investors are afforded the same treatment as resident investors and do not require any further license or approval.

According to UNMIK Regulation no. 2001/26, bank accounts in any foreign currency also may be opened.

UNMIK Regulation no. 2006/28 promulgates law no. 02/L-33 of the Assembly of Kosovo on foreign investments. This law aims at encouraging foreign investors to invest in Kosovo. For these purposes, detailed provisions concerning the protection of foreign investors against unjustified expropriation were incorporated into this law.

# 5. TAX LAW



## 5.1 General

The Kosovo tax system is a young system. The first state duties were introduced in 1999 by the implementation of a customs regulation. Since 2000, further taxes have been implemented continuously, e.g. municipal taxes. However, until now there has been no integrated fiscal code governing all tax aspects, but rather several regulations issued to cover the main taxes applicable in Kosovo. At the time this report was written, there were proposals under discussion to lower corporate and income tax to 10% (with a zero rate for the first EUR 80 of personal income per month) and the VAT threshold to EUR 25,000 or 30,000, as well as to provide incentives for companies bringing in investment and employment.

The regulations aim to strengthen the development of the economy and be consistent with European standards.

The most important taxes are:

- corporate income tax,
- personal income tax;
- value added tax;
- rent withholding tax;
- custom duties;
- excise tax;
- municipal property tax; and
- quarrying and mining tax.

## 5.2 Corporate Income Tax

On 1 January 2005 the UNMIK Regulation no. 2004/51 on corporate income tax was introduced (replacing the profit tax regulation), which was amended by UNMIK Regulation no. 2005/51<sup>6</sup>.

The following may be taxed:

- corporations or other business organizations that have the status of a legal person under applicable law in Kosovo;
- companies operating with public or socially owned assets;
- organizations registered with UNMIK as non-governmental organizations; and

permanent establishments in Kosovo of non-residents<sup>7</sup>. Such permanent establishments include but are not limited to: plants, branch offices, representation offices, factories and construction sites. (See section 10 below.) The corporate income tax rate is 20 % of taxable income (for further rules, see section 5.2.3). Certain revenues like some revenues of non-governmental organizations or receipt dividends received by enterprises that are residents of Kosovo are exempted from corporate income tax.

<sup>6</sup> This Regulation came into force on 1 January 2006.

<sup>7</sup> A permanent establishment is "any workplace through which a non-resident person does business in Kosovo."

### 5.2.1 Deductible Items

Expenses are considered deductible if they are incurred during the tax period wholly and exclusively in connection with conducting the business activity.

In particular, representation costs (advertisements, marketing) are partially deductible, up to 2 % of the annual turnover, as are donations to humanitarian, social, cultural, environmental and sports causes, up to 5 % of the taxable income before taxes.

There is a cap on expenses that can be claimed for the maintenance of vehicles. The tax authority also will not allow as an expense an invoice from a company that is not registered in Kosovo, except for very limited foreign expenses such as hotels. The tax authority also does not currently recognize the validity of inter-company agreements, e.g. for services provided by the parent company or headquarters.

Expenses that are not deductible include, for example, costs associated with the acquisition of real estate, the acquisition of goods that can be amortized, contributions to reserve funds/provisions, fines and the value added tax for which the taxpayer claims a deduction of input tax.

### 5.2.2 Losses Carried Forward

Losses may be carried forward and may be settled against future profits for seven consecutive fiscal years. First, losses have to be settled against profits of the same category of income (horizontal loss adjustment). Currently there are no grouping provisions in Kosovo that would enable losses in one company to be offset against the taxable profit in another company in the same group.

### 5.2.3 Corporate Assessments and Payments

The fiscal year corresponds to the calendar year.

Taxpayers are required to make quarterly advance payments for the immediately preceding quarter to any authorized bank. These advance payments have to be made on or before 15 April, 15 July, 15 October and 15 January of each year.

Enterprises with an annual turnover of less than EUR 50,000 can be taxed either on an actual profit basis (i.e. after deducting expenses as above) or a presumptive tax basis (based on turnover).

The turnover basis applies if the taxpayer does not make an election and the turnover is less EUR 5,000, in which case the taxpayer has to pay EUR 150 per year in total. Enterprises with an annual gross income between EUR 5,000 and EUR 50,000 have to pay 3 % (for trade, transportation, agrarian or similar businesses) or 5 % (for services, etc.) of their turnover.

However, such enterprises can also opt to be taxed on the basis of 20% of actual taxable income by submitting a form. They must then produce related financial statements.

The payments of enterprises that opt for the “real” and not presumptive tax basis are as follows:

- $\frac{1}{4}$  of the estimated corporate income tax liability for the year, less any amount already withheld in relation to a resident payer with respect to interest, dividends and rent; or
- $\frac{1}{4}$  of the 110 % assessed tax liability of the previous tax period reduced by any amount already withheld in relation to a resident payer with respect to interest, dividends, royalties and rent.

Additionally, such tax payers are obligated to submit to the tax administration an annual tax declaration on or before 1 April of the year subsequent to the tax period and to pay the taxes that have not been paid up to such date. Together with the tax declaration, these taxpayers are also required to submit financial statements.

Together with the submission of the final tax declaration, a confirmation of the already paid taxes should be submitted. The taxpayer is entitled to receive a refund for any surplus.

#### **5.2.4 Taxation of Permanent Establishments**

A permanent establishment is considered to be any workplace through which a non-resident person carries on a business in Kosovo. This place can be a plant, a branch office, a representative office, a factory, a shop, etc.

In practice, such non-resident person is subject to income tax for the profits made in Kosovo.

Non-resident persons with a permanent establishment in Kosovo can obtain an official document from the Kosovo tax administration, certifying the amount of taxes they have paid, so that this can be used to obtain a credit if permitted by the foreign tax authority.

The current test for corporate profit taxation in Kosovo is far-reaching and the tax authority taxes companies who acquire income as a result even of a short consultancy visit to Kosovo, even when they have no permanent office or staff in Kosovo. There are proposals to bring this in line with the OECD model by introducing new legislation, providing that a 10% withholding tax would be imposed on such persons instead and the obligation to register and file for taxes would accrue only after 180 days.

## 5.3 Personal Income Tax

UNMIK Regulation no. 2004/52 regulates the personal income tax regime that came into force on 1 January 2005<sup>78</sup>. As this was the case in introducing the corporate income tax, this regulation aims to introduce one single tax for all sources of income derived by individuals.

### 5.3.1 Taxable Persons

Taxable persons are resident and non-resident natural persons who receive income in Kosovo. A resident is defined as a natural person who has his habitual residence in Kosovo. A residence is considered habitual if the natural person physically stays in Kosovo at least 183 days in one fiscal year.

Therefore, the following individuals are subject to Kosovo's personal income tax:

- residents on taxable income derived from Kosovo source income and foreign source income; and
- non-residents on taxable income derived from Kosovo source income.

### 5.3.2 Taxable Income

The taxable income for a tax period is calculated using the difference between gross income and any allowed deductions.

Gross income consists of income from: a) wages, b) business activities, c) rent, d) use of intangible property, e) interest, f) dividends, g) pensions and h) any other income that increases the taxpayer's net worth.

### 5.3.3 Tax Rates

The personal income tax rate system is a progressive tax system with a 20% maximum tax rate. Taxes must be withheld by employers on a monthly basis at set amounts, e.g. employers must withhold EUR 28.50 on monthly gross salaries of up to EUR 450.

Nearly all benefits are taxable, except for the mandatory payments to the State pension scheme.

Annual taxable income	Tax rate
Up to EUR 960	0 %
EUR 960 up to EUR 3,000	5 % of the amount exceeding EUR 960
EUR 3,000 up to EUR 5,400	EUR 102 + 10 % of the amount exceeding EUR 3,000
More than EUR 5,400	EUR 342 + 20 % of the amount exceeding EUR 5,400

<sup>78</sup> This regulation has come into force, except for the provisions concerning revenues from the sale, etc. of capital assets (to which the sale of land also belongs). These provisions will come into force on 1 January 2010.

### 5.3.4 Taxation of Foreigners

The only concession for the taxation of foreigners is that foreigners do not need to pay personal income tax on the accommodations provided for them or on school fees. However, the employer must withhold 16% of the rent owed to the landlord of the employee's apartment. Expatriate personnel usually are employed under a Kosovo labour contract and consequently, liability for taxes is incurred as of the first day of work. The employer must withhold income tax on pay for ex-pats just as such employer must do for locals. The only difference is that there is no obligation to make the pension contributions for ex-pats.

### 5.4 Withholding Tax

UNMIK Regulation no. 2004/51 on corporate income tax also incorporates the withholding tax. Section 27 of the above regulation provides that each taxpayer who pays dividends, interest or royalties to a resident or a non-resident person is liable for withholding 20 % tax at the time of payment, except where a taxpayer had paid Kosovo income tax on dividends distributed to a resident. The resident payer should make payment and declaration of such tax by the 15<sup>th</sup> of the month following the month during which payments occurred.

There is also a withholding tax on rent. Wherever a legal person, e.g. a limited liability company, pays rent to a non-legal person, e.g. an individual or personal business enterprise, 16% of the gross rent must be withheld.

Any person on whose behalf tax is withheld can request receipt of a certificate from the taxpayer concerning the withholding of the above tax. This certificate has to be issued by 1 March of the subsequent year. Please note that such certificate is not issued by the Kosovo tax administration, but rather by the payer itself in the form established by the tax administration.

### 5.5 Avoidance of Double Taxation

Section 26 of UNMIK Regulation no. 2004/51 provides that any applicable bilateral agreement on the avoidance of double taxation shall supersede domestic legal provisions.

- Kosovo authorities have not taken an official position regarding the tax treaties signed by the former Federal Republic of Yugoslavia, however unofficially they refuse to recognize them as applicable. There is one double taxation treaty that has been signed by UNMIK with Albania which should come into force shortly. The Free Trade Agreements with Bosnia and Macedonia also require entry into double taxation treaties.
- The absence of double taxation treaties in particular causes problems in cash-flow and bureaucracy, and is most acute for ex-pat workers whose time is divided between Kosovo and other countries.

## 5.6 Value Added Tax

In 1999, Kosovo introduced a sales tax, but this regime was abandoned in 2001 by the introduction of a system of value added taxes (UNMIK Regulation no. 2001/11, latest amended by UNMIK Regulation no. 2005/40).

The VAT regime in Kosovo follows the main principles of VAT. Thus, it is a tax that is added to the sale of all goods and services.

### 5.6.1 Basic VAT Rules

VAT is chargeable on taxable values of imports, domestic supplies and inflows from Serbia-Montenegro (intra-FRY). Goods imported into Kosovo are generally subject to VAT at the customs point.

The regulation also defines what is considered a supply of goods versus a supply of services.

The taxable value of a taxable supply in Kosovo or intra-FRY inflows is the total consideration payable for that supply. For imports, the taxable value is the customs value plus customs duties, excise taxes and other charges levied in customs.

The VAT rate is 15%.

No VAT has to be paid for:

- exports and intra-FRY outflows (0 %);
- supplies of goods and services in connection with the international transportation of goods or passengers (0 %);
- imports, intra-FRY inflows and supplies of the goods listed in such Regulation (not taxable);
- supply of financial services (not taxable); and
- transfer of title or lease of land for residential property; transfers of commercial buildings are taxable.

In addition to these turnovers, the Regulation on VAT provides certain rebates.

### 5.6.2 "Persons" obligated to register

Natural as well as legal, and public and private persons, are all obligated to register with the tax authorities if they perform the following activities:

- import and export goods or services (also with Serbia-Montenegro); or
- supply goods or services (which are neither imports nor exports) with a turnover exceeding EUR 50,000 per calendar year or whereby the turnover is likely to exceed EUR 50,000 per year; registration must in any event occur within 15 business/calendar days of exceeding the turnover.

### 5.6.3 Deduction of input tax

Only registered suppliers are entitled to deduct input taxes on supplies on which VAT is imposed. A deduction of input taxes only may be applied to items used for supplies that are subject to VAT.

A deduction of input tax requires that the suppliers be in possession of authentic customs documents for imports or exports or, in the case of other supplies, in possession of an authentic invoice issued by the taxable person or in possession of proof that the debt has been paid.

The following supplies do not qualify for a deduction of input tax:

- fuel purchases;
- travel, representation, lodging, meals and entertainment expenses; and
- expenses related to cars.
- for capital goods, there is a 6-month deferral period for the payable VAT, provided that these capital goods are used to manufacture other goods or services if they are imported, or are imported from Serbia and Montenegro if the taxpayer (the enterprise) is a newly established business.

### 5.6.4 VAT Compliance

VAT compliance provides for the monthly submission of VAT returns to the competent tax authority and monthly payment of VAT due by the last day of the month following the reporting month. The submission has to be completed by the last day of the month subsequent to the reporting month, at the latest. Also, the payment has to be issued by this same day, at the latest. Late filings or the payment of taxes is subject to penalties and interest.

The deduction of input tax is calculated based on the information recorded in the sales and purchases books. VAT records have to be kept for 5 years.

## 5.7 Social Security and Health Insurance Charges

Currently, Kosovo has established only one mandatory social charge in the form of pension contributions. UNMIK Regulation no. 2001/35, amended by UNMIK Regulation no. 2005/20, provides that both employees and employers should contribute to the individual savings pension system. This is a defined contribution scheme, with an account held for each individual who has invested therein. Each individual receives an annual account statement. Foreigners are not obligated to make such pension contribution.

Employees shall contribute 5 % of their monthly wages to their pensions, which is matched by another 5 % contribution contributed by their employer.

In practice, employers withhold and pay for both elements.

Employees and employers may contribute a higher percentage voluntarily, up to a maximum of 15 % of the employee's monthly wage, but then must withhold income taxes on that extra amount, as it is treated as a taxable benefit.

Only 5% is deductible by the employer as a corporate tax expense, unless the employer withholds income taxes on the contribution as well.

There are currently two licensed supplementary pension schemes. Contributions to these schemes must have income taxes withheld if the employer wishes to claim them as an expense.

Similarly, income taxes must be withheld on any payment to a health insurance scheme, as it is treated as a taxable benefit. Insurance schemes for accidents or death on the job are not treated as taxable benefits.

## 5.8 Salary Taxes and Pension Charge Compliance

Employers are obligated to withhold an employee's pension contributions and personal income taxes, and to pay such contributions and taxes by the 15th of the month following the reporting month.

At the same time, employers are obligated to submit a monthly payroll record, a wage tax withholding and remittance statement, and a statement of pension contributions and remittance form. A monthly pension report form must also be submitted.

Foreign individuals are not obligated to contribute to the local pension system, but may choose to do so.

## 5.9 Customs Duties and Customs Code

Customs are regulated by UNMIK Regulation no. 1999/3, at last amended by UNMIK Regulation no. 2007/12 and amended by the implementation of a customs code (UNMIK Regulation no. 2004/1). The regulation on customs provides for a customs rate of 10 % for all goods imported into Kosovo. The goods listed in the annex of this regulation are excluded from this rate.

On 14 September 2004, UNMIK Administrative Direction no. 2004/24 came into force. According to such direction and subsequent Administrative Directions in 2005 and 2006, inter alia, the following goods are exempted from customs duties:

- exports;
- pharmaceutical products;



- goods imported by UNMIK, KFOR, UNCHR, ICRC, the Red Cross or for donors with contracts with UNMIK;
- goods used for agricultural production and some listed raw materials for heavy industry; and
- goods imported by foreign diplomatic and consular missions.

The current customs tariff is based on the harmonized system of the World Customs Organisation.

## 5.10 Excise Duties

UNMIK Regulation no. 2005/32 implementing the Excise Tax Code, at last amended by UNMIK Regulation no. 2006/8 on excises taxes, provides a list of goods subject to excise tax. The goods subject to excise taxes include: coffee, wine, cigarettes, and other tobacco products, oils, fruit juice and other drink concentrates, cars and other motor-operated vehicles. Fixed amounts are provided for certain goods.

## 5.11 Real Estate Tax

The real estate tax is regulated by UNMIK Regulation no. 2003/9, at least amended by UNMIK Regulation no. 2006/59. In general, the person liable for paying this tax is the real estate owner. The rate is set on an annual basis between 0.5 % and 1 % of the market value of the real estate. The annual tax shall be paid in two equal portions no later than on 30 June and 31 December of the tax period.

The municipalities in each jurisdiction shall assess the real estate and update the market value of each real estate parcel every three to five years.

## 5.12 Mining and Quarrying Tax

A tax is levied on items extracted from the ground. The amount of such tax is set by the Independent Commission for Mining and Minerals.

This tax is administered by the tax authority and by the banks in the same way other taxes are, but the Independent Mining regulator oversees the process as a whole.

## 5.13 Form of Tax Declarations and Penalties

The tax declarations are colored printed forms executed in triplicate, out of which two remain with the bank where tax settlements must be executed and the remaining one, which is stamped by the bank, remains with the taxpayer.

## 5.14 Capital Gains Tax

There is no capital gains tax on gains made by individuals before 2010. Gains within companies or legal entities are taxed under corporate income tax regulations.



# **6.**

## **LABOUR LAW**

## 6.1 General

Employment relationships are governed by UNMIK Regulation no. 2001/27 on Essential Labour Law in Kosovo concerning employment contracts and collective agreements, as well as by the predecessor 1989 Kosovo Labour Law. The regulation also provides for the protection of employees' rights against anti-union discrimination and gender discrimination. Additionally, the regulation provides for annual leaves, minimum wage, overtime pay, maternity leaves and sick leaves.

## 6.2 Protection against Discrimination

Labour law protects employees against discriminatory treatment because of race, colour of skin, sex, religion, age, family status, political opinion, national origin, sexual orientation, language or union membership.

## 6.3 Labour Unions

Employees have the right to organize labour unions. Until 1989, labour unions had great influence on corporate management. During the war and afterwards, the influence of worker organizations started to weaken and many of them are no longer active. Therefore, many collective agreements that were the basis for most employment contracts no longer apply.

## 6.4 Labour Contracts

Labour law establishes certain mandatory standards to be provided for in labor contracts by giving flexibility to their contents, as long as it does not conflict with applicable law. The law permits defined term employment contracts as well as indefinite employment contracts. Contracts must be in the mother tongue of the employee and must be in writing.

Labour law mainly contains provisions regarding the termination of employment contracts. Please note that economic, technological, or structural changes to the enterprise are also reasons that justify a termination by an employer.

When a minimum of 50 employees are discharged within a 6-month period, it is considered a large-scale layoff, to which certain protective provisions apply. These are essentially:

- prior notification of the plans to decrease the number of personnel and notification of the measures to be taken to alleviate the consequences of such dismissals;
- measures to be taken to limit the number of dismissals;
- severance payments to be paid according to the duration of the employment relationship (between one and five monthly salaries); and
- notification of termination to employees at least 3 months in advance; the compulsory redundancy payment may be up to 3 months salary (it varies according to the employee's years of service).

## 6.5 Working Hours

UNMIK Regulation no. 2001/27 contains detailed provisions regarding working hours, such as that working hours shall not exceed 40 hours per week and a working day shall not exceed 12 hours. Overtime may not exceed 20 hours per week or 40 hours per month. The regulation provides that overtime shall be paid at a rate of 20 % per hour or be compensated with corresponding time off during the following month. The employer can choose which option it prefers on a case-by-case basis.

## 6.6 Paid Leave

The law provides for the following paid leaves:

- (a) The annual leave for the first year of work is 12 working days and 18 working days for every year thereafter.
- (b) Official holidays: If an employee works on such day, the hours are considered as overtime.

Maternity leaves entitle female employees to at least 12 weeks of paid maternity leave at a salary that is not less than 2/3 of their usual salary.

## 6.7 Unpaid Leave

This type of leave is subject to an agreement between the employee and employer.

## 6.8 Sick Leave

This type of leave is paid only in the event that an illness is work-related. Even then there is a limit on the duration for which it must be paid.

## 6.9 Working Conditions

Working conditions are subject to supervision by the labor inspectorate. Fines for violating labor regulations vary from EUR 5,000 to EUR 10,000.

## 6.10 Employees of Foreign Investors

Employees of foreign investors are subject to the same laws (applicable in Kosovo) to which employees of Kosovar enterprises are subject. Foreign investors are entitled to employ staff of any nationality.



# **7.**

## **PUBLIC PROCUREMENT LAW**



Public procurement in Kosovo is subject to the Law on Public Procurement in Kosovo (law no. 2003/17, promulgated by UNMIK Regulation no. 2004/3) and the Law on the Procedure for Awarding Concessions (law no. 02/L-44 promulgated by UNMIK Regulation no. 2006/27). The first law is about to be amended.

The law on public procurement governs the procurement of public construction, delivery and service contracts and, under the amendment, will also cover service concessions. Concessions law governs infrastructure concession agreements. Besides rules concerning the award procedure and the mandatory content of offers, public procurement law also contains legal protection rules. There is a very short period during which complaints may be submitted. The concession law was set up particularly with regard to the implementation of infrastructure projects and therefore contains special rules for issuing construction concessions in this context. The concession law provides for a subsidiary application of the public procurement law, provided such public procurement law contains nothing contrary to the concession law.

In practice, as no detailed concessions rules have been drafted, the public procurement tender templates and rules are followed for concessions.

## 8. INTELLECTUAL PROPERTY PROTECTION

On 28 May 2006, the Law on Trademarks (law no. 02/L-54, promulgated by UNMIK Regulation no. 2006/38) entered into force. With this law, trademarks shall be governed in accordance with the requirements of international conventions and the law and practices of the EU and its member states. Trademarks shall be registered and therefore protected for a period of ten years. Under certain preconditions, registration may be renewed for further ten-year periods. On 21 April 2006, the law on industrial design (law no. 02/L-45, promulgated by UNMIK Regulation no. 2006/17) entered into force, which provides the conditions for protecting an industrial design, the industrial design itself, the right to profits, the scope of protection, etc. An industrial design is protected for a period of five years. This protection may be extended for a period of five years, and for a maximum of 25 years upon registration.

There is also a law on patents, i.e. UNMIK Regulation no. 2004/56.

In practice, as of now, none of the intellectual property registers are functioning properly (i.e., for trademarks, industrial designs, and patents).

There is a law on copyright protection (UNMIK Regulation no. 2006/46), which closely models the relevant EU law.

## 9. ENVIRONMENTAL LAWS

There is a Law on Environment no. 2002/8, promulgated by UNMIK Regulation no. 2003/9, a Law on Air Protection no. 2004/30, promulgated by UNMIK Regulation no. 2004/48, a waste law (law no. 027/L-30, promulgated by UNMIK Regulation no. 2006/31) and a Water Law (UNMIK Regulation no. 2004/41).

At the moment, environmental law provides that a purchaser of social property does not have successor liability for cleaning up such property.

The Ministry of the Environment and Spatial Planning and local municipalities (who each have inspectorates) are responsible for executing and specifying the general conditions set out in the above laws. There is a considerable amount of secondary legislation critical to interpreting the laws, which has not yet been drafted or is in process of currently being drafted. In addition, there are some pending laws, including one law on environmental permits.

## 10. ARBITRATION

According to the UN Treaty Section, an arbitration award under the UNCITRAL Convention would be recognized and enforceable in Kosovo. Arbitration is also expressly recognized under the Law on Foreign Investment (see section 5.2 above).

## 11. MINING AND ENERGY

Kosovo has a law on Mining, which regulates the issuance of mining licenses (exploration and exploitation), and a law on Energy, which together with the Law on Electricity regulates energy licenses. Foreigners can apply for licenses but must have certain persons resident in Kosovo during the license period.

## 12. BANKING AND INSURANCE

The UNMIK Regulation on Banking and Insurance permits foreign banks and insurers to open either a subsidiary or a branch office upon satisfying certain non-discriminatory conditions of the Central Banking Authority of Kosovo.

## 13. ENTRY AND EXIT FROM KOSOVO

Persons who want to enter Kosovo do not need a visa when they enter Kosovo via the country way or by airplane. UNMIK Regulation no. 2005/16 on Movement of Persons into Kosovo requires individuals to register with the police if they are present for more than 90 days and to prove to the border police at the time of entry that they have a legitimate reason

for such entry, which may be business (in which case a business invitation or similar may be requested) or employment (in which case an employment contract may be requested).

If resident for more than 90 days, registering visitors receive an UNMIK ID document, which is similar to those issued to residents. In practice, this also materially facilitates entry and exit and avoids the needs for entry/exit stamps in one's passport and allows such person to act as the authorized representative of a branch office. This is necessary if, for example, one wishes to register one's vehicle.

Visitors must only show a valid passport when entering Kosovo and have to declare the reason for their stay (in practice, this is done very infrequently). Because Serbia does not recognize the UNMIK borders as valid borders, exiting from Kosovo via Serbia is only possible if one's entry into Kosovo or Serbia was via a Serbian policed border point.

Entry is even easier for the staff of UNMIK and KFOR, the staff of UNO and other international institutions with an office in Kosovo, and for persons having a travel document from UNMIK with them.

#### **14. REGISTRATION OF VEHICLES, INSURANCE, IMPORT OF PERSONAL EFFECTS**

There is no compulsory insurance for employees and no need for them to carry health insurance in Kosovo.

Third party liability insurance is compulsory for vehicles. As Kosovo is not part of the international Green card scheme, foreign registered vehicles must buy separate "transit" insurance either at the border or at the Kosovo insurance centre. An ex-pat can bring his/her vehicle into Kosovo and register it in Kosovo on a temporary basis for up to 3 years without paying customs, provided it has not been de-registered overseas. No personal vehicle older than 8 years may be imported into Kosovo.

KS plates are not recognized by or permitted into Serbia proper. They are freely permitted by Macedonia, Montenegro, Albania, Bulgaria, Turkey and Croatia, but insurance must be purchased in those countries.

Personal effects up to certain limits (which are more than 6 months old) can be brought into Kosovo without customs duties on a temporary basis by international staff.

## 15. IMPORTANT LINKS AND ADDRESSES

### 15.1 Websites of Institutions in Kosovo

**Assembly of Kosovo:**

<http://www.assembly-kosova.org/>

**The Office of the Prime Minister of Kosovo:**

<http://www.ks-gov.net/pm>

**Ministry of Trade and Industry of Kosovo:**

<http://www.mti-ks.org/>

**Ministry of Finance and Economy:**

<http://www.mfe-ks.org/>

**Ministry of Science, Education and Technology of Kosovo:**

<http://www.ks-gov.net/masht>

**Ministry of Agriculture, Forestry and Rural Development:**

<http://mafrd-ks.org/>

**Ministry of Labor and Social Welfare:**

<http://www.mpms-ks.org/>

**Ministry of Transportation and Telecommunications of Kosovo:**

<http://www.mtpt.org/>

**Ministry of Environment and Spatial Planning:**

<http://www.ks-gov.net/mmph/>

**Ministry of Public Services:**

<http://www.ks-gov.net/mshp>

**Central Banking Authority of Kosovo:**

<http://www.cbak-kos.org/>

**ICMM Independent Commission for Mining and Minerals:**

<http://www.kosovo-mining.org/>

**The Kosovo Registry of Business Organizations and Trade Names:**

<http://www.arbk.org/>

**Kosovo Trust Agency:**

<http://www.kta-kosovo.org/>

**UNMIK Customs:**

<http://www.unmikcustoms.org/>

**Statistical Office of Kosovo:**

<http://www.ks-gov.net/esk/>

**Society of Certified Accountants and Auditors of Kosovo:**

<http://www.scaak-ks.org/>

**The Kosovo Pension Savings Trust:**

<http://www.kpst.org/>

**Kosovo Energy Corporation:**

<http://www.kek-energy.com/>

**Post and Telecommunications of Kosovo:**

<http://www.ptkonline.com/>

## 15.2 Websites of International Institutions in Kosovo

### **UNMIK – United Nations Mission in Kosovo:**

<http://www.unmikonline.org/>

### **European Union in Kosovo:**

<http://www.euinkosovo.org/>

### **World Bank - Kosovo:**

<http://www.worldbank.org/kosovo>

### **European Agency for Reconstruction:**

<http://www.ear.eu.int/kosovo>

### **UNDP United Nations Development Programme - Kosovo:**

<http://www.ks.undp.org/>

### **OSCE Mission in Kosovo:**

<http://www.osce.org/kosovo>

### **United States Agency for International Development – Prishtina Office:**

<http://usaid.gov>

## 15.3 Important Addresses in Kosovo

### 15.3.1 Banks

#### **Raiffeisen Bank**

UÇK Street 51  
10000 Prishtina  
Tel.: +381 (0) 38 226 400, 401  
Fax: +381 (0) 38 226 408  
<http://www.raiffeisen-kosovo.com>  
[info@raiffeisen-kosovo.com](mailto:info@raiffeisen-kosovo.com)

#### **KASABank (recently acquired by Nova Ljubljanska Banka)**

Rexhep Luci Street 5  
10000 Prishtina  
Tel.: +381 (0) 38 246 180  
Fax: +381 (0) 38 246 189  
<http://www.kasabank.com>  
[kasabank@kasabank.com](mailto:kasabank@kasabank.com)

#### **ProCredit Bank**

Skenderbeu Street  
10000 Prishtina  
Tel.: +381 (0) 38 240 248  
Fax: +381 (0) 38 248 777  
<http://www.procreditbank-kos.com>  
[info@procreditbank-kos.com](mailto:info@procreditbank-kos.com)

#### **Economic Bank**

Migjeni Street 1  
10000 Prishtina  
Tel.: +381 (0) 38 244 396  
Fax: +381 (0) 38 243 828  
<http://www.bekonomike.com>  
[bek@bekonomike.com](mailto:bek@bekonomike.com)

#### **Bank for Business**

UÇK Street 41  
10000 Prishtina  
Kosovo / UNMIK  
Tel.: +381 (0) 38 244 666  
Fax: +381 (0) 38 243 656, 657  
<http://www.bpb-bank.com>  
[hq@bpb-bank.com](mailto:hq@bpb-bank.com)  
[hq@bpb-bank.com](mailto:hq@bpb-bank.com)

### 15.3.2 Insurance Companies

#### **DARDANIA Insurance Company**

Nëna Terezë Street  
Prishtina  
Tel.: +381 38 244 080,+381 38 244 081

#### **SIGAL part of UNIQA Group AUSTRIA**

Branch "Sigal - Drini", Prizren  
Vellusha e Poshtme 16  
Tel.: +381 29 42 772, +381 29 44 025

#### **DUKAGJINI Insurance Company**

Bulevardi i Dëshmorëve Street  
Prishtina  
Tel.: +381 38 543 575, +381 38 576 577

#### **SIGMA part of Vienna Insurance Group**

Branch "SIGMA"  
Pashko Vasa Street p.n  
Prishtina,  
Tel.: +381 38 246 301, +381 38 246 302

#### **KOSOVA E RE Insurance Company**

Fazli Graiqevci Street 5  
Prishtina  
Tel.: +381 38 244 081; +381 38 229 455

#### **CROATIA SIGURIMI**

**Insurance Company**  
Fehmi Agani Street 69, D/1-2  
Prishtina,  
Tel.: +381 38 246 - 956  
Fax: +381 38 246 957

#### **SIGURIA Insurance Company**

Qamil Hoxha Street 15  
Prishtina  
Tel.: +381 38 248 850

#### **SIGKOS**

Sylejman Vokshi Street 1  
10.000 Prishtina  
Tel.: +381 38 24 00 22,  
Fax: +381 38 24 02 22  
[www.sigkos.com](http://www.sigkos.com)  
[info@sigkos.com](mailto:info@sigkos.com)

#### **INSIG Tirana**

Branch "INSIG" Prishtina,  
Pejton 4  
Prishtina,  
Tel.: +381 38 259 902

### 15.3.3 Business Support Institutions

#### **Investment Promotion Agency of Kosovo**

Headquarters in Prishtina  
Perandori Justinian No. 3-5  
Qyteza Pejton'  
10000 Prishtina  
Kosovo  
Tel/Fax: +381(0) 38 200 36041  
E-Mail: info@invest-ks.org  
Web: <http://www.invest-ks.org>

#### **Economic Initiative for Kosova (ECIKS)**

Nussdorfer Strasse 20/23  
A-1090 Vienna, Austria  
Tel.: +43 1 890 50 26  
Fax: +43 1 890 50 26 26  
Web: [www.eciks.org](http://www.eciks.org)  
E-mail: info@eciks.org

#### **Central and Eastern European Business Information Center (CEEbic)**

Tel.: +381 38 549 516  
Fax: +381 38 549 890  
E-mail: dalipil@state.gov

#### **Kosovo Chamber of Commerce**

Nëna Terezë Street 20  
Prishtina  
Tel.: +381 (0) 38 524 741  
Fax: +381 (0) 38 23 397  
Web <http://www.odaekonomike.org/>

#### **World Bank Office**

Tirana Street 35  
Prishtina  
Tel.: +381 (0) 38 549 459 or 549 998  
Fax: +381 (0) 38 549 780  
Web: <http://www.worldbank.org>

#### **Riinvest Institute**

Bregu i Diellit p.n.  
Prishtina  
Tel.: +381 (0) 38 549 320  
Web: <http://www.riinvestintitute.org>

#### **American Chamber of Commerce in Kosovo**

Gustav Majer #6  
10000 Prishtina  
Tel: +381 38 246 012  
Fax: +381 38 248 012  
Email: info@amchamksv.org  
Web: [www.amchamksv.org](http://www.amchamksv.org)

#### **Kosovo Business Support – KBS**

Nazim Hikmet Street Nr. 116  
Prishtina  
Tel.: +381 38 243 631  
Fax: +381 38 517 216  
Web: <http://www.usaidkbs.com>

#### **Kosovo Regional Enterprise Agency**

Tel: +381 38 245 343  
Email: kreaoffice@yahoo.com

## 15.4 Additional Reading

**Kosovo (Bradt Travel Guide Kosovo):** A tourist, historical and geographical guide published in English in late September 2007 and available at [www.amazon.com](http://www.amazon.com) or [www.amazon.de](http://www.amazon.de). The authors are Gail Warrander of GW Legal and Verena Knaus of Austria.

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**WOLF THEISS**

**IPAK**  
Investment Promotion Agency of Kosovo  
Office in Vienna - Implemented by ECIKS

Austrian  
 Development Agency

  
ECONOMIC INITIATIVE FOR KOSOVA