



Tax & Legal Highlights

Kosovo

The New Law No. 06/L-016 on Business Organization has entered into force.

This Law regulates the following:

- **The types of Business Organization through which Business Activity may be conducted in Kosovo and other entities required to register with the Kosovo Business Registration Agency;**
- **The organization, competencies and functions of the Kosovo Business Registration Agency;**
- **The requirements, conditions and procedures of registration and deregistration of each type of Business Organization;**
- **The rights and obligations of Shareholders, Authorized Representatives, owners, directors, managers, and third parties in relation to Business Organizations.**

This Law has been published in the official gazette of the Republic of Kosovo on 24 May 2018 and shall enter into force on the day of publication.

With the entrance into force of this Law, the following laws are repealed:

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- Law No. 02/L-123 on Business Organizations and
- Law No. 04/L-006 on Amending and Supplementing the Law No. 02/L 123 on Business Organizations.

All Business Organizations currently registered with the Kosovo Business Registration Agency (KBRA) and Business Organizations registered in the transitional period shall be required to conform with the requirements of this law within three (3) years of adoption of the sub-legal act on registration procedures.

KBRA, in cooperation with other state administration bodies, shall contact all existing Business Organizations to ensure that the data included in the registry are updated. All existing Business Organizations shall be required to comply with this requirement or otherwise they shall be included in a passive list of Business Organizations after the expiration of the three (3) year period.

Provided not to be in violation of this Law and until the issuance of new sub-legal acts for the proper implementation of this law, the following applicable sub-legal acts shall remain in force: Administrative Instruction no. 03/2015 on Determination of Fees for Services provided by the Business Registration Agency

The Government and the Ministry of Trade and Industry shall issue sublegal acts within a period of one year form the date of entrance into force of this Law.

The Law No. 06/L-036 on Amending and Supplementing the Law No. 04/L-219 on Foreigners has entered into Force.

The purpose of this Law is to amend and supplement the Law No. 04/L-219 on Foreigner (Official Gazette No. 35 dated on September 2013).

This Law has been published in the Official Gazette of the Republic of Kosovo on 3 May 2018, and entered into force fifteen (15) days after its publication.

This Law has been drafted in accordance to the following directives:

- Directive 2014/66 / EU of the European Parliament and the Council on conditions of entry and residence of third-country nationals in the framework of an intracorporate transfer;
- Directive 2014/36 / EU of the European Parliament and the Council on conditions of entry and stay of third-country nationals for the purpose of employment as seasonal workers;
- Directive 2016/801/EU of the European Parliament and the Council dated 11 May 2016 on the conditions of entry and residence of third-country nationals for the purposes of research, studies, training, voluntary service, pupil exchange schemes or educational projects, and au pairing;
- Regulation (EU) No 610/2013 of the European Parliament and of the Council of 26 June 2013 amending Regulation (EC) No. 562/2006 of the European Parliament and of the Council establishing a Community Code on the rules governing the movement of persons across borders (Schengen Borders Code), the Convention implementing the Schengen Agreement, Council Regulations (EC) No. 1683/95 and (EC) No. 539/2001 and Regulations (EC) No. 767/2008 and (EC) No. 810/2009 of the European Parliament and of the Council.

With this Law, it is foreseen that the application for renewal of the residence permit shall be submitted not prior but within 30 days prior expiration.

The term "Certificate for employment notification" is being replaced with the term "Short work permit for foreigners". Additionally to the existing categories eligible for short work permit are as well:

- Doctors or medical specialists of various medical fields;
- Teachers and lecturers of foreign cultural, educational and scientific institutions and,
- Board Members and Executive Directors of foreign branches.

For granting permanent residence permit previously was required to have consecutive temporary residence permit of five (5) years, now to this provision has an exception in cases of marriage with the citizen of the Republic of Kosovo or with a foreigner with a permanent residence, a consecutive residence permit of three (3) years is required.

This Law also foresees that the Department of Citizenship Asylum and Migration (DCAM) shall issue the decision for granting residence permit for work propose even without obtaining the confirmation from the Employment Agency of the Republic of Kosovo (EARK) until the annual quota is provided.

This Law also defines the categories of the foreigners who will not be issued the decision for deportation.

The term "Order" used in the basic Law is being replaced with the term "Decision". Additionally, the Articles of the Basic Law about fines issued by the Labor Inspectorate, and Police as well, are being reformulated.

New Administrative Instruction MF-No. 02/2018 On the Use of Fiscal Electronic Devices and Systems enters into force

This Administrative Instruction sets out the rules and procedures for selection, administration, installation and use of fiscal electronic devices and software for purposes of carrying out economic activity in the Republic of Kosovo.

The new Administrative Instruction features limited changes from the previous sub-legal act and carries over most of the provisions contained therein. Changes are focused in the area of technical specifications of fiscal electronic devices which now also have to include Crypto Card secure medium for secure encryption.

In this respect, the changes pertain mostly to authorized providers of fiscal electronic devices whereas these devices continue to be subject to regular technical inspections every 24 months after installation.

The introduction of this AI sees the abrogation of the two previous Administrative Instructions MoF-No. 01/2015 and MoF-No. 01/2017 that formerly regulated the use of electronic equipment and fiscal systems.

The provisions of the AI are mandatory for the Tax Administration of Kosovo and all other entities involved in the process of fiscalisation.

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