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NEWSLETTER

**KOSOVO'S NEW LEGISLATION AND GOVERNMENTAL DECISIONS
RELATED TO ECONOMY, FINANCE AND BUSINESS**

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DRAFT LAWS

Draft Law on the International Agreement Between the Kosovo of the one part and European Union of The other part on the Participation of Kosovo in the Union Programme Single Market Programme (hereinafter "the Draft Law"), 15 September 2023



The draft law seeks to ratify the International Agreement between Kosovo and the European Union on Kosovo's participation in the "Single Market Programme". This EU funded program aims at strengthening the single market which for the past three (3) decades has enabled citizens to live, work and travel freely, and has offered consumer protection, legal certainty, access to markets and financial services, and investment. Its main objectives are consumer protection, support to small and medium-sized businesses, a most effective single market, high quality European statistics, and effective European standards for financial and non-financial reporting and auditing. Kosovo's participation in this programme allows businesses and organizations to interact with those of EU's member states which are partial or full participants of this programme. [1]

Draft Law on Bankruptcy (hereinafter "the Draft Law"), 15 September 2023

The Draft Law establishes the rules on the bankruptcy and insolvency of business organizations, protection, liquidation and distribution of the assets of a bankrupt debtor to its creditors, and the reorganization and discharge of debt for qualified business organizations. Its provisions clarify the procedures for initiating and opening a bankruptcy proceeding for insolvent debtors, the legal effects of the opening and closing of a bankruptcy proceeding, the reorganization of a debtor in financial difficulties when there is a likelihood of insolvency and the consequences of a discharge of debt for the debtor upon the successful completion of reorganization and liquidation.

This Draft Law seeks to amend and repeal the current Law No. 05/L-083 on Bankruptcy. Among other changes, Article 6 of the Draft Law establishes that the competent court for conducting the procedure and the review of bankruptcy cases and all other related issues, shall be the Commercial Court, which replaces the Department on Economic Matters within the Basic Court in Prishtina as the competent court according to the current law on bankruptcy. Article 19.3.4. adds the Chamber of Notaries to the entities that the court shall notify regarding the initiation of a bankruptcy proceeding, along with the business registry, the pledge registry, mortgage registry, commercial banks, credit registry of the Central Bank, and the tax administration. The Draft Law also adds any enforcement, mediation, or arbitration procedure, among the procedures on which a moratorium will be applicable upon the petition for the initiation of bankruptcy.

In addition, Article 30 of the Draft Law further elaborates on the cooperation of the debtor and the bankruptcy administrator, establishing that the debtor shall provide the administrator with all access to information required, within 15 days of the receipt of the request by the administrator, and that in the case of non-cooperation and lack of access, the court shall impose a fine from 500 – 5000 EUR.

The procedure of the conversion of reorganization into liquidation is also much more elaborated in the Draft Law; article 82 lists the evidence that the interested party shall present for the court to issue a ruling on such conversion. In a liquidation procedure, the court appoints an administrator within 15 days, which is a 12 day longer deadline than the one provided in the current law on bankruptcy. Article 100 also foresees the conversion of liquidation procedure to one of reorganization, if the administrator can provide that such conversion would likely result in larger distributions to unsecured creditors.

Chapter X of the Draft Law establishes the Chamber of Bankruptcy Administrators which shall act as a non-governmental organization.



GOVERNMENT DECISIONS

Decisions of date 13 September 2023

Decision No. 03/159 on approving the Draft Law on Bankruptcy.

Decision No. 04/159 on approving the Draft Law on Ratifying the International Agreement between Kosovo on the one part and the European Union on the other part on the Participation of Kosovo in the Union Programme "Single Market Programme".

Decision No. 06/159 on establishing the Council on Industry Development (hereinafter the "Council"). The Council shall develop dialogue between the government and private industrial sectors, and shall aim transparency in public decision-making, and the representation of the industrial sector in drafting recommendations for the government on the concrete measures to ensure industry development.

The Council may request additional information and expertise from the state institutions and external experts. It may also report to the government based on needs and requests.

Decisions of date 25 September 2023

Decision No. 03/161 on approving the allocation and transfer of EUR 10,000,000.00 on Implementing the Energy Efficiency Measures on Individual Households.

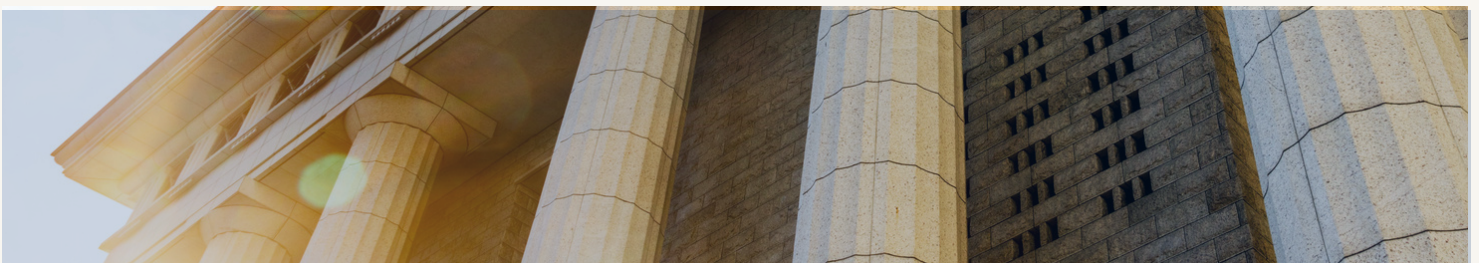
Decisions of date 27 September 2023

Decision No. 06/162 on approving the request of the Ministry of Economy for the allocation of EUR 5,000,000.00 for the implementation of measure no. 4 of the Action Plan to alleviate the immediate socio-economic impact of the energy crisis.

Decision No. 13/162 on approving in principle the initiative for the "Amendment No. 4 of the Financial Agreement between the Republic of Kosovo and the European Union Programme IPA 2014".

Decision No. 14/162 on approving in principle the initiative for the signing of the Grant Agreement between the Republic of Kosovo, represented by the Ministry of Finance, the Landfill Management Company, and KfW, Frankfurt Am Main for the Project "Programme on Managing Solid Waste II-IV (EU's Contribution)".

Decision No. 15/162 on approving in principle the initiative for the signing of the Grant Agreement between the Republic of Kosovo, represented by the Ministry of Finance, Municipality of Prishtina, and the European Bank for Reconstruction and Development, for the Project "Green Cities Framework 2. Window 2. – Energy Efficiency in Public Buildings in Prishtina".



OTHER NEWS

Kosovo and the State of Israel sign the Joint Declaration on Cooperation in Tourism, 11 September 2023

This declaration aims to strengthen the relationship between the two countries in the field of tourism in accordance with the principles of mutual respect and equality. It provides for the exchange of information on innovation and digitalization in tourism and expertise to create a sustainable partnership focusing on small and medium-sized enterprises.

Kosovo and United Kingdom sign the supplemented and amended Agreement on Partnership, Trade and Cooperation, 20 September 2023

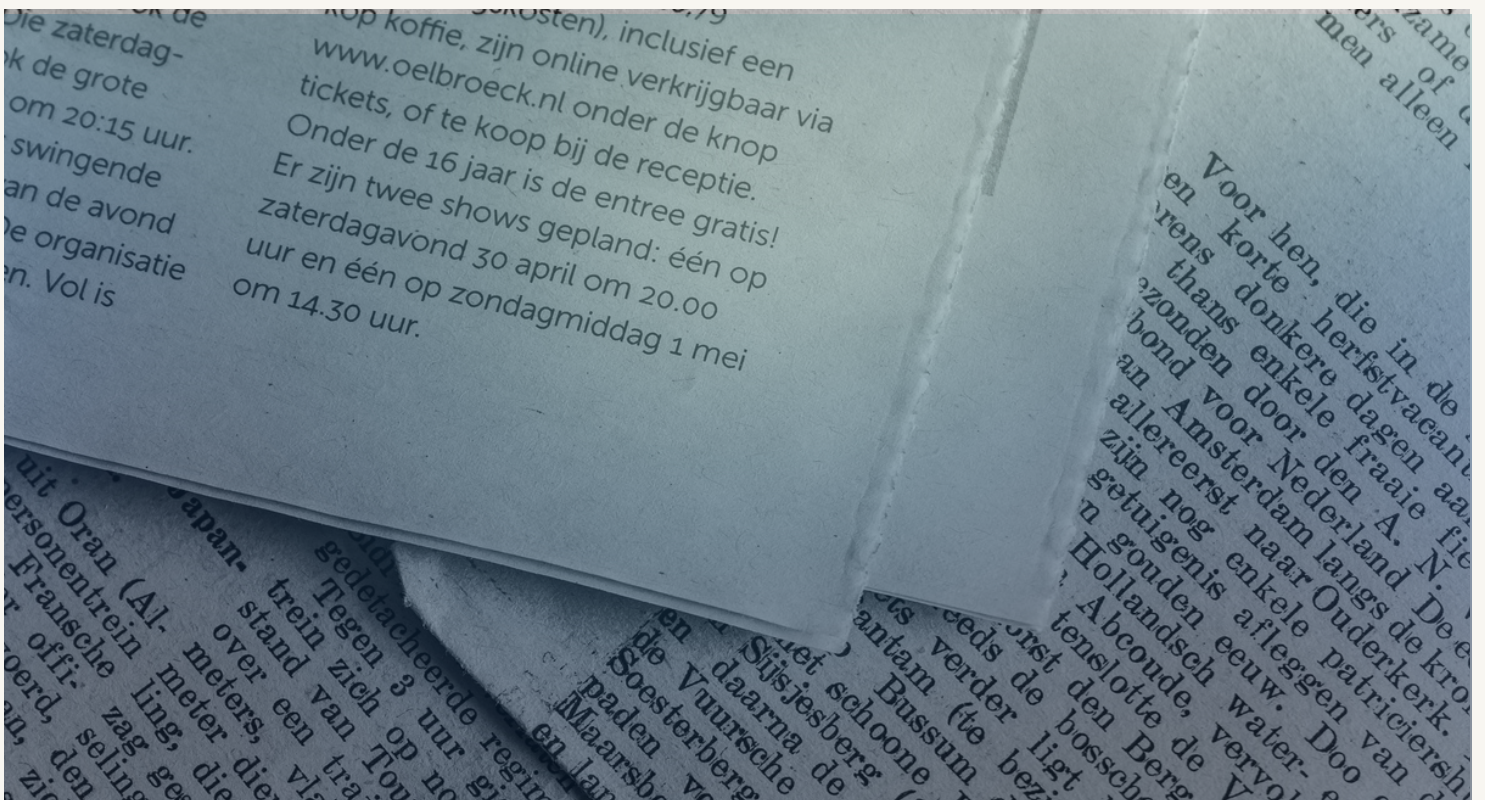
The supplemented-amended agreement establishes cooperation on public procurement of state funded clinical health services. The agreement aims to strengthen cooperation between the two parties through new projects and common objectives to increase citizens' wellbeing.

Vice President of the Ministry of Trade, Industry and Entrepreneurship signs the first Protocol on Economic Cooperation between the Republic of Kosovo and the Czech Republic, 22 September 2023

Under this Protocol, the two countries agreed to cooperate on trade, investment, industry, technology, energy and mines, standardization, environment, transport, and agriculture. as well as startups operating in the tourism industry.

The launch of the Program on Reforms in Economy 2024-2026, 22 September

As the National Coordinator of the Program on Economic Reforms, the Minister of Finance led the launch meeting for the new cycle of the process for the drafting of the program. The program consists of 3 main areas: competitiveness, sustainability, and human capital.



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