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NEWSLETTER

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

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INTERNATIONAL AGREEMENTS

Bilateral Agreement on the "Solar Energy 1 (SOLAR4KOSOVO 1) – PHOTOVOLTAIC" Project signed between the Republic of Kosovo, represented by the Ministry of Finance, Labour and Transfers, Kosovo Energy Company (KEK) and KfW Frankfurt Am Main (the "Agreement"), - 7 November 2023 -

Based on the Agreement, KfW shall extend to the Ministry of Finance, Labour and Transfers, as the Recipient, a grant of EUR 31,679.000 for the construction of a photovoltaic plant and finance the foreign exchange costs. The Project-Executing Agency (KEK) shall prepare, implement, operate, and maintain the project, assign the preparation and supervision of the construction, maintain books and records on all costs of goods and services, and enable their inspection by the competent authorities, submit annual implementation reports and collect data for project updates.

Bilateral Agreement between the Government of the Republic of Kosovo and the Government of the Grand Duchy of Luxembourg relative to the Development Cooperation project "KSV/23: Sustainable and Inclusive Growth in Kosovo" (the "Agreement"), 15 November 2023

This Agreement relates to a development project in support of Kosovo's administrative reforms. The expected results include the implementation of the Sovereign Fund, improving civil servants' cybersecurity capabilities, functionalise the innovation fund for the development of private companies, and operate an e-voting system for the Parliament. The Government of Luxembourg shall grant EUR 6,500.000 and the Government of Kosovo will provide all the necessary support to the Lux-Development S.A. and the Office of the Prime Minister, as well as other line ministries directly involved.

A steering committee will be convened on an annual basis and whenever there is a specific need.

Bilateral Agreement between the Government of the Republic of Kosovo and the Government of the Grand Duchy of Luxembourg regarding the Development Cooperation Project “KSV/024: Energy Transition and Climate Mitigation in Kosovo (the “Agreement”), 16 November 2023

The Agreement concerns a common development project in support of Kosovo's reforms in the energy sector. The expected results include improving the implementation of renewable energy (RE) and energy efficiency (EE) measures, strengthening the regulatory framework for RE and EE, and better access to financial mechanisms for small-scale RE and EE.

Government of Luxembourg will grant EUR 5,500.000, and the Government of Kosovo will facilitate and monitor the implementation of the project and provide all the support needed to the Ministry of Economy, to strengthen capacities for implementation.

A project steering committee will be convened on an annual basis and whenever there is a specific need, to provide guidance on project orientation, review information on progress, and endorse annual plans, budgets, and reports.

DRAFT LAWS

Draft law amending and supplementing laws containing special administrative procedures and their harmonization with Law no. 05/I -031 on the General Administrative Procedure - second phase (the “Draft Law”) 22 November 2023

The Government approved the Draft Law, amending, among others, Law No. 04/L-198 on the Trade of Strategic Goods, hereinafter “the Law”. The Law governs the export, import, transit, transshipment, re-export, and re-transfer of strategic goods, along with related services and the rights and obligations of parties involved in these activities. According to articles 5 and 6 of the Draft Law, the procedure for complaining against the decision to refuse trader registration, and for granting licenses will be compliant with the Law on the General Administrative Procedure.

The Draft Law removes Article 11 of the existing Law which pertains to the dismissal of a license application without action, i.e., when the applicant fails to complete the application for registration within an additional deadline. It also revises provisions of the Law related to the deadline for review of a license application by the Commission and the issuance of licenses, establishing a 30-day deadline for application review.

Unlike the Law, the Draft Law does allow complaints against decisions to annul or revoke a license, in accordance with the Law on the General Administrative Procedure. It also introduces the establishment of a Complaints Committee to review such complaints in accordance with amended Law and the Law on the General Administrative Procedure.



ADMINISTRATIVE INSTRUCTIONS

Administrative Instruction No. 11/2023 on Technical Criteria for Import, Storage, Wholesale and Retail Sale of Renewable Oil Fuels, and Cleaning of Tanks (the "Administrative Instruction"), 21 November 2023

Among others, the Administrative Instruction outlines the technical criteria for storing and importing raw materials for petroleum product production. Requirements include storage tank production, measurement-capable scales, fenced and monitored storage, protective embankments, cooling systems, fire extinguishing systems, water storage, plant processing schemes, and tank cleaning evidence.

For oil and renewable fuel retail, regulations specify covered filling equipment, separate tanks for each fuel, reinforced concrete embankments for surface tanks, water-cooling systems, protection from transport vehicles, covered tanks to prevent water and waste entry, fuel type markings, and metal rods for level measurement. The Administrative Instruction also establishes the procedure for the verification of fulfillment of criteria.

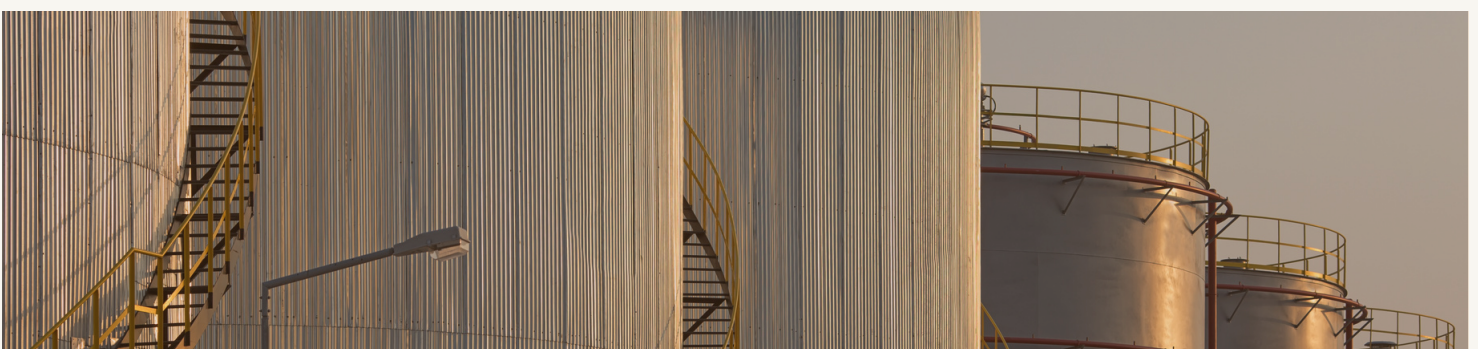


GOVERNMENT DECISIONS

Decisions of date 22 November 2023

Decision No. 18/174 on approving the request of the Ministry of Finance for the allocation of EUR 5,000.000 for the implementation of measure 1 of the Action Plan for the mitigation of the immediate socio-economic impact of the energy crisis.

Decision of the Ministry of Industry and Trade No. 01/86 on the designation of the price and other safeguards of petroleum products, which aims "to prevent the disruption in the market with oil prices". With this decision, the maximum permitted trading margin of wholesale sale is 2 Eurocenters per litre, and the maximum permitted retail trading margin is 12 Eurocenters per litre.



OTHER NEWS

Ministry of Finance reaches Agreement with USAID on the creation of Electronic System for Tracking Invoices, 15 November 2023

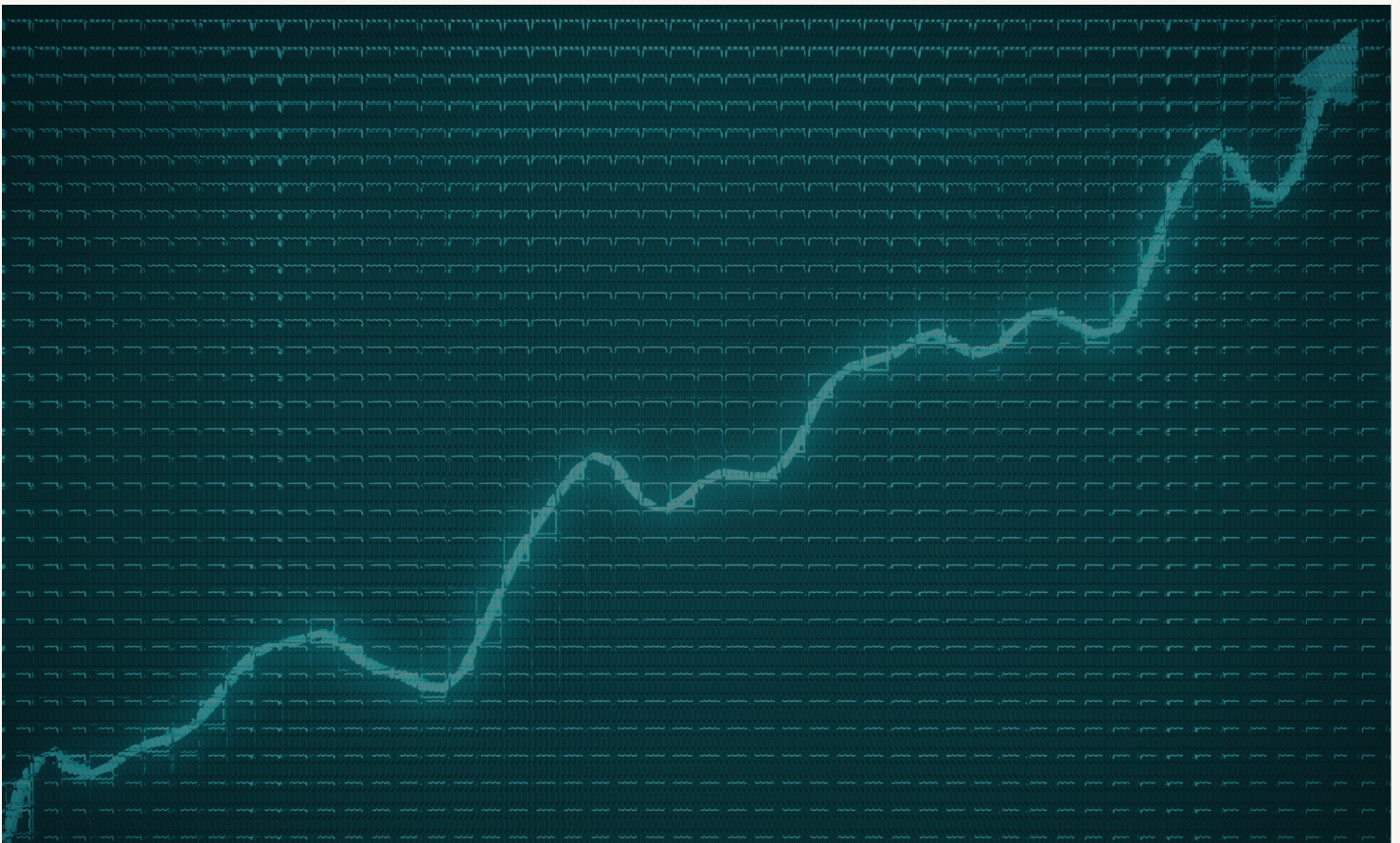
The Agreement “envisages improving public services by creating an electronic system through which invoices are forwarded in each link of administrative procedure with budgetary organisations, thus increasing efficiency in spending public money and internal financial control”. The goals of tracking invoices submitted by economic operators to budget organisations are increased transparency and reduced administrative burdens.

Ministry of Industry, Entrepreneurship and Trade and the Kosovo Customs sign a Cooperation Memorandum (MoU), 16 November 2023

The MoU aims to provide Customs with data and online access to the data and business organisations from the official business register at the Kosovo Business Registration Agency. This shall help Customs in investigation processes and combating illegal activities.

Ministry of Industry, Entrepreneurship and Trade presents to chambers and economic associations the final draft Law on Innovation and Entrepreneurship, 17 November 2023

This draft law aims to establish the rules for supporting, and promoting innovative activities with an impact on entrepreneurship, through the new mechanism Fund for Innovation.



Author:

Vlera Rexha

Legal Analyst

Kosovo-Israel Chamber of Commerce



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www.kicc-ks.org

www.kerveshi.com

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