



in partnership with



NEWSLETTER

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



IN THIS ISSUE

INTERNATIONAL AGREEMENTS

LAWS

REGULATIONS

GOVERNMENT DECISIONS

DRAFT LAWS

OTHER

INTERNATIONAL AGREEMENTS

Bilateral Agreement between Montenegro and Republic of Kosovo (the "Agreement") concerning the IPA 2021-2027 Cross-Border Cooperation Programme "Montenegro-Kosovo", (the "Programme") 13 May 2024

The Agreement establishes the partnership between Kosovo and Montenegro with regard to the management and implementation of the Programme, under which both countries will receive support from the EU for cross-border cooperation in the amount of € 8.4 million.

The thematic priorities of the Programme include employment, labor force mobility, social and cultural inclusion, tourism, cultural and natural heritage, and the promotion of local and regional governance.

Decree No. 56/2024 on the Ratification of the Partnership Agreement for the Technical Assistance Grant Contract under the IPA Cross Border Cooperation (CBC) Programme Kosovo-North Macedonia 2021-2027, (the "Partnership Agreement"). 15 May 2024

The Agreement establishes the terms of the partnership for the implementation of the CBC programme between Kosovo and North Macedonia under the IPA III framework.

The IPA III CBC programme addresses business development and aims at creating and strengthening the cross-border market through sustainable usage of local resources to be able to compete in regional and international markets. Its key thematic priorities are the business environment and environmental protection. They include activities for capacity building of institutions dealing with international trade and support to businesses, mainly women-led businesses.

The Assembly of Kosovo has approved the International Agreement “Digital Europe”, (the ‘Agreement’), 20 May 2024

The Agreement establishes the participation of Kosovo in the EU programme "Digital Europe 2021-2027". The program aims to enable digital transformation and increase the use of digital technology among businesses and citizens, which is expected to positively impact economic development and employment.

Businesses, public administration and NGOs will be able to apply for projects related to Artificial Intelligence, advanced digital skills, digital capacities, etc. The main goal is to support digitalisation especially for small and medium enterprises.

Ratification of Agreement for Kosovo's Participation in the European Union Single Market Program, (the “Agreement”), 16 May 2024

The Assembly of Kosovo ratified the Agreement for the implementation of the program which aims to improve the competitiveness of the industry, in particular of micro, small and medium enterprises, enhance consumer protection including food safety, as well as improve statistics and the financial sector.

Upon the entry into force of this Agreement, organisations and businesses in Kosovo can sign grant agreements with EISMEA (European Innovation Council and SMEs Executive Agency).

LAWS

Law No. 08/L-258 on the Promotion of Renewable Energy Sources, (the “Law”), 2 May 2024

The Law aims to promote the use of Energy from renewable sources, particularly in heating and cooling, and transport, increase the security of energy supply, and improve environmental protection. It sets a binding target for the overall share of energy from renewables in the Gross Final Consumption of Energy by 2030 (32%), defines the responsibilities and administrative procedures of entities and establishes competitive mechanisms for new generation capacities, defines key principles and criteria, and regulates the issuance of Guarantees of Origin for energy from renewables.

Based on the law, the support scheme to the Generation of electricity from renewables is based on a Power Purchase Agreement (PPA), a Contract for Premium, or a Contract for Difference, and shall be implemented through Feed-in premiums, or Feed-in tariffs. The Renewable Energy Operator will be established as the physical off-taker of electricity produced by privileged producers who are granted support based on a PPA. The costs of the support scheme and the Operator will be recovered through the Renewable Energy Support Fund.

The law also establishes Renewable Energy Communities, consisting of two or more members or shareholders, to develop, invest in, and implement renewables and energy efficiency projects. It also sets the key obligations of network operators for access to the network and the rules for bearing the costs for grid system connection and capacity expansion.

Applications for renewable energy projects will go through a non-discriminatory, objective, and transparent review by the Regulator and network operators. The law obliges authorities to issue consents, permits, or any other documents for the implementation of the projects in a streamlined and expedited process. They shall determine a single point of contract who shall, upon request by the applicant, guide through and facilitate the entire administrative permit application and granting process within the responsible entity.

The law further obliges the Ministry to define the specific duties and responsibilities for the functioning of the One-Stop-Shop. It also establishes the main rules for the issuance, transferring and cancelling of Guarantees of Origin.

REGULATIONS

Regulation No. 12/2024 on the Protection of Classified Information in the Industrial Field, 15 May 2024

The Regulation establishes detailed procedures and ensures the protection of classified information within the industrial sector. It aims to maintain security standards in handling classified information. Its primary purpose is to define the procedures for safeguarding classified information in the industrial field, ensuring compliance with security protocols. They specifically apply to defense and security procurements involving classified information, covering national authorities, economic operators, and other state institutions involved in these activities.

Economic operators must obtain an Industrial Security Certificate to handle classified information. The Regulation mandates comprehensive security measures for accessing storing, and managing classified information, which includes briefing and debriefing procedures, project security guides, cargo security plans, and protocols for visits involving classified information.

According to the Regulation, the national authority for the security of classified information conducts verifications of the financial and operational stability of economic operators, their ownership structures, and the security credentials of key personnel. The certificate is valid for five years and can be extended or revoked based on compliance with security requirements.

Transport and storage of classified materials must be conducted under strict security conditions. This includes secure packaging, armed escorts, and continuous monitoring during transit. Regular inspections ensure compliance with these security measures, and non-compliance can result in the suspension or revocation of the certificates.

The Regulation aims to protect national security interests by enforcing strict security protocols to prevent unauthorized access to sensitive information. Additionally, ensuring that only financially stable and compliant economic operators handle classified information helps maintain the integrity and reliability of the industrial sector.

DRAFT LAWS

[Draft Law on Banks \(hereinafter the “Draft Law”\), 13 May 2024](#)

The Draft Law aims to promote a stable financial system by establishing the criteria for the licensing of banks, their sound operation, organisation and management, prudential supervision of banks, and their recovery, resolution and liquidation. Key provisions include requirements for capital adequacy, large exposure limits, and the preparation of recovery and resolution plans to address potential financial distress. It grants the Central Bank of Kosovo (CBK) the authority to apply various resolution tools and powers.

Additionally, the law includes measures for early intervention by the CBK in case of financial difficulties, and provisions for emergency liquidity assistance to support solvent banks with short-term liquidity needs. Banks are obliged to adhere to financial reporting standards and undergo annual audits to ensure compliance and sound financial practices.

[Draft Law No. 08/L-309 on the Ratification of the Financing Agreement for the First Program for "Funding of Development Policies for Fiscal Efficiency, Competitiveness and Green Growth", \(the “Agreement”\) between the Republic of Kosovo represented by the Ministry of Finance, Labour, and Transfer and the International Development Association, \(the “Draft Law”\) 22 May 2024](#)

The Draft Law aims to formalize the Agreement to enhance the effectiveness of fiscal policies, promote greener economic growth, and strengthen the investment climate in Kosovo.

The Agreement provides budgetary support amounting to €90,300,000 with favorable financing conditions including a 12-year maturity period and a 6-year grace period, with no interest or service fees, making it a cost-effective support mechanism.

The Agreement focuses on long-term sustainable development, balancing economic growth with environmental considerations.

[Draft Law No. 08/L-308 for the Ratification of the Loan Agreement for \(the “Loan Agreement”\) the Public Finance and Economic Growth Program \(between the Republic of Kosovo and the OPEC Fund for International Development, \(the “Draft Law”\) 22 May 2024](#)

The Draft Law aims to ratify the Agreement, enabling the implementation of the Public Finance and Economic Growth Program, which focuses on improving fiscal management and promoting economic development. The Agreement provides necessary financial resources and signifies a commitment to implement fiscal policies and economic reforms supported by the OPEC Fund. The loan terms specify the interest rates, grace periods, and any applicable services fees, aiming to minimise the financial burden on Kosovo.

Key objectives are to ensure better allocation and utilisation of resources, support initiatives that drive economic growth, including infrastructure development, investment in key sectors, and job creation.

[Draft Law on Ratification of the Amendum No. 2 of the Financing Agreement for IPA 2016 \(the “Financing Agreement”\) between the Republic of Kosovo and the European Union, \(the “Draft Law”\) 22 May 2024](#)

The Draft Law aims to ratify the amendments to the Financing Agreement, for continuing the financial cooperation and support provided by the European Union to Kosovo. The agreement covers various developmental and financial aid initiatives aimed at supporting socio-economic development in alignment with EU standards

OTHER

[Kosovo is initiating negotiations for trade in services with the EFTA member states, Norway, Iceland, Switzerland, and Liechtenstein, 3 May 2024](#)

A future agreement is expected to enable better cooperation between Kosovo and EFTA countries in key areas, such as investment flows, technology transfer, competition policy and law, public procurement, sustainable development, and other trade-related issues and policies.

[EBRD upholds Kosovo's 2024 economic growth forecast at 4% 15 May 2024](#)

The European Bank for Reconstruction and Development (EBRD) projects that Kosovo's economic growth will accelerate to 4% in 2024, following a 3.3% expansion in 2023, due to strong private consumption and an increase in public infrastructure investments. In 2025, EBRD projects a growth of 4% in gross domestic product (GDP).

Author:

Vlera Rexha

Legal Analyst

Kosovo-Israel Chamber of Commerce



In partnership with



www.kicc-ks.org
www.kerveshi.com

DISCLAIMER: The views presented in this publication are solely those of the Kosovo-Israel Chamber of Commerce (KICC).

All rights reserved KICC©2024