



Republika e Kosovës
Republika Kosovo - Republic of Kosovo
Kuvendi - Skupština - Assembly

Law No.05/L-043

ON PUBLIC DEBT FORGIVENESS

Assembly of Republic of Kosovo,

Based on Article 65 (1) of the Constitution of the Republic of Kosovo,

Approves

LAW ON PUBLIC DEBT FORGIVENESS

CHAPTER I
GENERAL PROVISIONS

Article 1
Purpose

The purpose of this law is public debt forgiveness towards State Institutions and Public Enterprises, as well as establishing criteria and procedures for the forgiveness of these debts, owed by natural and legal persons for the period until December 31, 2008.

Article 2
Scope

This law applies to all state institutions and public enterprises, as defined in this Law.

Article 3
Definitions

1. Terms used in this Law shall have the following meanings:

1.1. **Public debt** – for the purpose of this law, public debt implies any amount of outstanding debt, including penalties, fines, interest and any other obligations arising from failure to timely pay the debt principal, according to the status on the date of enactment of this law, that persons have been liable for payment to the government institutions on behalf of tax, revenue and property tax liabilities, as well as all other financial liabilities towards enterprises providing public services, on behalf of the services provided to citizens in the Republic of Kosovo up to December 31, 2008;

1.2. **Debt basis** – the amount of principal debt (the principal) without including the fines, penalties and any additional interest that derives from failure to timely pay the debt principal;

1.3. **State institutions** – for purposes of this Law means Ministry of Finance, Ministry of Economic Development, Ministry of Local Government Administration, Tax Administration of Kosovo, Kosovo Customs and Municipalities;

1.4. **Public Enterprises** - all enterprises established under respective the Law on Public Enterprises;

1.5. **Social Enterprises** – the social enterprises as defined by the respective Law on Kosovo Privatization Agency;

1.6. **Person** - for the purpose of this Law it implies all the natural and legal private persons (non-public) that have outstanding public debt amount towards State Institutions and Public Enterprises. In cases where the person is a public-private partnership, the debt forgiveness differentiated according to participation of the private partner in the PPP.

CHAPTER II BENEFICIARIES OF THE DEBT FORGIVENESS

Article 4 The Entities Benefiting from Debt Forgiveness

1. From public debt forgiveness for the period up to 31 December 2008, pursuant to this law shall be entitled all persons who have outstanding obligations towards the State Institutions and Public Enterprises, provided that the same:

1.1. shall carry out full payment of obligations for the period from 1 January 2009 until 31 December 2014, then such persons in addition to total debt forgiveness for the period until 31 December 2008, will also benefit remission of fines, penalties, interest and any other obligation arising from failure to timely pay the debt principal for the period January 1 2009 until December 31, 2014; or

1.2. shall conclude agreements with the State Institution or Public Enterprise for payment of debts by instalments for the period 1 January 2009 to 31 December 2014. Where agreement is reached under sub-paragraph 1.2 of this Article, then such persons, in addition to entire debt forgiveness for the period until 31 December 2008, will also benefit remission of penalties for the period 1 January 2009 to 31 December 2014. Under this paragraph debt payment must be carried out:

1.2.1. within two (2) years for legal persons from the date of entering into the agreement; and

1.2.2. within three (3) years by natural persons, from the date of entering into the agreement.

2. For outstanding debts until 31 December 2008, where the total amount of the basic debt (principal) is in smaller values from one (1) to one hundred (100) euro, the provisions of paragraph 1. of this Article shall not apply and the same will be automatically written-off.

3. Notwithstanding the provisions of paragraph 1. of this Article, all persons who have no outstanding debts before 2008, but who decide to settle the obligations for the current period from 1 January 2009 to 31 December 2014, according to conditions set out in sub-paragraph 1.1. shall benefit the remission of fines, penalties, interest and any other obligations deriving from failure to timely pay the debt principal, or, if they decide to pay obligations for the current period 1 January 2009 to 31 December 2014 according to conditions set out in sub-paragraph 1.2. shall benefit the remission of penalties.

Article 5

Obligations of the State Institutions and Public Enterprises

All State Institutions and Public Enterprises are obliged, within thirty (30) days from the date of entry into force of this Law, to identify and prepare lists of all persons who are subject to the provisions of Article 4 of this law that may benefit from public debt forgiveness for the period up to December 31, 2008.

CHAPTER III

TRANSITIONAL AND FINAL PROVISIONS

Article 6

Procedures and Timelines for Implementation of the Law

1. Persons who could benefit from public debt forgiveness under the provisions of this law, including persons in court proceedings for unpaid debt and persons who have entered into

agreements for the payment of debts by 31 December 2008, to become entitled of this right shall follow the procedures specified in Article 4 of this Law.

2. Within thirty (30) days from the date when a person meets one of the criteria set out in Article 4 of this Law, the State institution concerned or the relevant Public Enterprise is responsible for erasing the debts from the system reflecting these facts in their accounting records.

3. Notwithstanding the provisions of Article 4 of this Law, if the persons benefiting from this Law through entering into agreement on instalment payment of obligations for the period 1 January 2009 to 31 December 2014, fail to comply with the terms of the agreement, then, the State institution or Public Enterprise have the responsibility to put same on the list of debts by making obligatory on all outstanding debts according to legal requirements that were applicable prior to the agreement.

4. Entities that could benefit from public debt forgiveness under Article 4 of this law, can exercise this right within a period of one (1) year from the date of entry into force of this Law.

Article 7 **Secondary Legislation**

Upon the proposal of the Ministry of Finance, Government of the Republic of Kosovo shall adopt sub-legal act to implement this Law.

Article 8 **Entry into Force**

This Law enters into force fifteen (15) days after publication in the Official Gazette of the Republic of Kosovo.

Law No.05/L-043
22 July 2015

President of the Assembly of the Republic of Kosovo

Kadri Veseli