



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

Law No. 03/L-031

**ON AMENDMENT AND SUPPLEMENTATION OF THE LAW No. 02/L-5 ON
SUPPORTING THE SMALL AND MEDIUM ENTERPRISES**

Assembly of Republic of Kosovo,

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

Considering the demand for amendment and supplementation of the Law on Supporting the Small and Medium Enterprises No. 02/L-5 promulgated by UNMIK Regulation No.2005/44 and with purpose of the new sanction of new categorization of the enterprise according to business capacities, of completion of the managing authority and determination of planning competencies, supervision and execution, as well as fulfillment of legal vacuums and with the purpose of creating conditions so that the law can be fully applied,

Adopts:

**LAW ON AMENDMENT AND SUPPLEMENTATION OF LAW No. 02/L-5 ON
SUPPORTING THE SMALL AND MEDIUM ENTERPRISES**

Article 1

In all text of the law except for the title of the law:

the words small and medium enterprise “SME” is replaced with the word Micro Enterprise, Small or medium “MESM”

Word “**Director**” is replaced with the word “**Chief Executive Officer**”

Article 2

The definition: “**enterprise**” in Article 3 of the law is changed as following:

“Enterprise”- means micro, small or medium enterprise.

Article 3

The title of Article 4 of the law is amended as “**Enterprise Classification**” and the entire Article is amended as following:

4.1 The enterprise in order to gain the status of one of the classified enterprise should fulfill the following conditions:

- a) micro-enterprise should employ up to nine (9) workers;
- b) a small enterprise should employ from ten (10) up to forty nine (49) workers;
- c) a medium enterprise should employ from fifty (50) up to two hundred forty nine (249) workers.

4.2 Enterprise according to sub-paragraphs a), b), c) of paragraph 1 of this Article enjoys the right for assistance if it fulfills the conditions defined by this law.

4.3 If the enterprise according to sub-paragraphs a), b), c)) of paragraph 1 of this Article fulfills the foreseen conditions, has a right to apply in one or more programs and initiatives of the agency for support of MESM.

4.4 Enterprise that applies for participation in programs and initiatives of MESM should submit:

- a) the request for participation; and
- b) declaration of the person responsible for the enterprise showing that the foreseen conditions are being fulfilled according to one of the sub-paragraphs a), b), c) of paragraph 1 of this Article.

Article 4

The title of **CHAPTER II** of the law is changed as following:

“Measures for establishing and developing the MESM”

Article 5

In Article 5 of the law, sub-paragraph c), and point (iv), is added a new point (v) as following:

(v). publication of annual reports of MESM. Ministry with sub-legal act determines the requirements and content of the annual report for MESM.

Three (3) new sub-paragraphs (k,l,m) are added in Article 5 of the law as following:

k) building schemes for training and consultations for categories of the potential entrepreneurs and the existing ones and the SME entirely;

l) developing the program of work space through business incubators, business and industrial parks;

m) cooperation with Ministry of Economy and Finances and Kosovo Central Bank Authority, to prepare together and propose to the Assembly the program and schemes for support of the SME in approach towards the private capital and financial sources.

Article 6

Article 7 is changed as following:

When performing certain functions in Article 5, the agency should take into account the MESM in their initial phase, MESM as property of female participation with over 50% and MESM that perform their primary activity in an area determined by the Ministry of Economy and Finances as non developed municipality economically.

Article 7

After paragraph 8.2 of Article 8 of the law are added two new paragraphs as following:

8.3 Agency issues the regulation for internal organization approved by the Ministry.

8.4 Ministry by sub-legal act regulates the Log, the seal of the agency and their usage.

Article 8

The title of the Article 9 of the law is amended with “**Object of activity**” whereas the entire Article 4 is reworded as following:

- a) necessary technical support offered by public authorities and elimination or reduction of unnecessary bureaucratic barriers for activities of the MESM;
- b) development of policy framework in order to ensure a coherent engagement between the Government and the MESM;
- c) collection and analyses of the data distributed to the subject in order to carry out changes in policies and executions, at least in annual basis and bringing in sufficient details for approach into the changes of the MESM sector and efficiency of the changing policies;
- d) creation and developing of programs in function of knowledge and technology transfer;
- e) the mechanism (device) of change which can demonstrate what can be done by measuring the progress against the developments in market and by undertaking actions in the municipal, national and regional level in order to increase achievements rate;
- f) giving of recommendations, proposing of supplements and amendments in laws and rules which have an effect in these enterprises development as well as in programs and projects which are related to them;
- g) keeping a continuous contact with all line Ministries, state bodies, financial institutions, Commerce Chamber of Kosovo, business development agencies, business and entrepreneurs associations in order to assist in coordination of all activities which are related to micro enterprise, small and medium enterprise development, as well supporting the of programs inside and outside of the country;
- h) coordination of programs which are related to creation and developing of micro enterprise, small and medium enterprises such as: business incubators, business parks, industrial parks, technological parks, programs of training and consultations, building capacity of MESM in order to have approach in private capital and financial sources, as well as compilation and developing of new programs at national level in supporting the micro enterprise and small and medium enterprises in Kosovo;
- i) proposal and compilation of plans for a better coordination and cooperation between the existing different domestic or foreign organizations as well as the current structures involved in development of micro enterprise, small and medium enterprises in Kosovo;
- j) creation and strengthening the coordination with other institutions in supporting the micro enterprise, small and medium enterprises;
- k) identification of problems and providing proposal to the Government the possible solutions in relation to regulatory personnel, economic, financial and fiscal policies in the course of micro enterprise, small and medium enterprises development;

- l) establishment of facilities in crediting MESM as well as presentation of proposals in improving the legislation that regulates the private sector and other mechanisms for attracting investments in MESM;
- m) creation of new possibilities for micro enterprise, small and medium enterprises' market research, based in competition, in quality standards, export conditions as well as the local and international potential buyers of their products and their services;
- n) performing study activities according to its functions including feasibility studies, market studies, surveys, consulting in trade practices, management and in incentive activities;
- o) gathering, processing, building and developing of a good information system for micro enterprise, small and medium enterprises in Kosovo, as well as its distribution and exchange with the network of other interested subjects;
- p) promotion of the market based on competitive business culture in all sectors of country's economy.

Article 9

The title of Article 11 is amended as **“Managing bodies of the Agency”** and the entire Article of the law is as following:

11.1 Bodies of the Agency are:

- a) Executive Chief of Agency, and
- b) Board of the Agency.

11.2 Nomination and deposition of the Executive Chief of MESM is carried out by the Board for high public nominations according to regulation for Kosovo civil service no. 2001/36.

Article 10

After Article 13 of the law a new Article 13.A is added as following:

Article 13.A Board of Agency

13 A.1 Kosovo Government based on the proposal of the Ministry accompanied with the justification of the agency, establishes the Board of the Agency for support of MESM which consists of following representatives:

- a) one (1) representative of Ministry of Trade and Industry;

- b) one (1) representative of Ministry of Economy and Finance;
- c) one (1) representative of Ministry of Labor and Social Welfare;
- d) one (1) representative of Ministry Agriculture, Forestry and Rural Development;
- e) one (1) representative of Association of Kosovo Banks ;
- f) one (1) representative of private business association in Kosovo

13.A.2 Mandate of Board members is three (3) years with the possibility re-election for one (1) more mandate.

13.A.3 Fields of activity, the rights and duties of Agency Board are regulated with a sub-legal act by the Ministry.

13.A.4. Board of the Agency is advisory body of the Agency.

13.A.5. Board of the Agency is presided by Minister of Trade and Industry.

13.A.6 The Board, upon its own assessment or upon request of the Chief Executive of the Agency, offers advices and recommendations to the agency regarding the issues within its field of activity.

Article 11

After Article 16 is added CHAPTER IV as following:

CHAPTER IV Punitive Provisions

Article 17

17.1. A natural or legal person who offers warring information with Article 2 of this law shall be punished with fine from five hundred (500) up to two thousand (2000) Euros.

17.2 For violation of provisions of this law except paragraph 1, the declassified measures are delated to the enterprise for participation in any program or initiative for supporting the MESM during two (2) years.

17.3. The right in delating measures according to paragraphs 1 respectively 2 of this Article belongs to the Chief Executive of the Agency.

17.4. Dissatisfied enterprise because of the pronouncement of measures according to paragraph 3, has a right to appeal to the second level body within fifteen (15) days from the day of decision making.

17.5. The appeal according to paragraph 4, is reviewed by the Committee consisting of three (3) members appointed by the Minister, in terms of thirty (30) days from the day the appeal is submitted.

17.6. Dissatisfied party with the decision of the Committee, according to paragraph 5, has a right in terms of thirty (30) days from the day the decision was made to rise administrative contest in compliance with LPA to the Supreme Court of Kosovo.

Article 12

CHAPTER IV of the law becomes CHAPTER V and the title is amended as following:

CHAPTER V TRANSITIONAL AND FINAL PROVISIONS

One Article is added, Article 18 as following:

Article 18 Execution

Ministry of Trade and Industry shall issue sub-legal acts in order to execute this law.

Article 17 of this law becomes 19 and is amended as following:

Article 19

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

**Law No. 03/L-031
17 October 2008**

President of the Assembly of the Republic of Kosovo

Jakup KRASNIQI