



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

Law No. 03/L-129

ON ECONOMIC ZONES

Assembly of Republic of Kosovo,

In support of article 65 (1) of the Constitution of the Republic of Kosovo,

Taking into consideration the need to stipulate the rules to enhance and develop economic zones in support of sustainable economic development and employment in the Republic of Kosovo,

Adopts

LAW ON ECONOMIC ZONES

Article 1

The purpose of the law

This Law governs establishment, operation, supervision and development of economic zones, the rights and obligations of developers, management operators, utilisers operating on them, type of activity carried out within them, as well as the manner to determine the location on economic zones.

Article 2

Definitions

In the context of this Law the terms used will have the following meaning:

Ministry - means the Ministry of Trade and Industry.

Minister - means the Minister of Trade and Industry.

Economic Zone - means a geographical area within state territory, of having a special economic status, factitious for purpose of promotion, development of businesses.

Developer - means any natural or legal person, private and/or public who in compliance with the laws in force obtains a right for development which will be used for an economic zone in the Republic of Kosovo.

Managing operator - means any natural or legal person, local or international, which operates within boundaries of the economic zone, in capacity of a manager, through a contractual relationship concluded between him/her and developer, a relationship which is not object to this law.

Utiliser - means a natural or legal person, local or international, who exercises an economic activity within the economic zone according to the provisions of this law.

Decision - means a document by which shall be verified that the legal conditions for stipulation and for declaring the economic zone are fulfilled.

Article 3 **Establishing economic zones in territory of the Republic of Kosovo**

1. Establishing economic zones in the Republic of Kosovo aims:

- 1.1. urging and encouraging investments in Kosovo by providing to investors a proper infrastructure to perform their activities;
- 1.2. helping overall economic development in Kosovo, particularly the private sector;
- 1.3. opening new jobs and generation of revenues;
- 1.4. attract advanced technologies;
- 1.5. business concentration to a certain location;
- 1.6. cooperation enhancement between businesses;
- 1.7. establishing business conditions for easier access to connections, transport, supply with energy, water and services in support to business;
- 1.8. competition enhancement in the local business.

Article 4
The activity permitted into economic zones

In an economic zone could be carried out any type of economic activity that affects not the environment, flora, fauna and national wealth of the Republic of Kosovo and which is not in contradiction with the laws in force.

Article 5
Conditions for establishing an economic zone

1. Basic conditions which should be fulfilled by a developer of an economic zone are:

- 1.1. defined status of the land;
- 1.2. previous consents issued from the relevant institutions concerned with economic zones;
- 1.3. business plan;
- 1.4. construction design.

Article 6
Initiative to establish an economic zone

1. The right to initiate the establishment of an economic zone has:

- 1.1. municipal Assembly;
- 1.2. business Community;
- 1.3. public-private partnership;
- 1.4. Ministry may be the initiator only when economic zone is funded from the Kosovo Budget and it is of a public interest.

Article 7
Declaration of economic zones

1. Ministry shall take a decision to establish an Economic Zone based on results of a study accomplished by the Small and Medium Enterprise Support Agency and by local-regional studies, according to economic development strategy of the country and based on which makes a proposal to the Government to declare the zone, an economic zone.

2. The definition of the economic zone territory should be based in economic justification evidenced by studying elaborate.
3. In case the conditions from paragraph 1 are fulfilled, the Government of the Republic of Kosovo within ninety (90) days shall issue the decision to declare an Economic Zone.
4. Declaration of an economic zone includes:
 - 4.1. status of the zone (economic zone or industrial zone, industrial park or technological park);
 - 4.2. zone boundaries;
 - 4.3. types of activities to be developed on it;
 - 4.4. period of zone operation;
 - 4.5. the manner the zone is given (hire, concession).
5. In case the Government of Republic of Kosovo and the Ministry reject the initiative or revoke a decision, this should be justified.
6. Counter decision of Government of Kosovo or of the Ministry, the dissatisfied subject has a right to proceed administrative contest to the Supreme Court of Republic of Kosovo within thirty (30) days from the day the decision was taken.

Article 8

The ownership right to an economic zone

1. Economic zones shall be established in a private and/or public property.
 - 1.1. private property, in which is established the economic zone, shall be treated in accordance with pertinent law in force.
2. The area or the property approved for an economic zone in accordance to this law cannot be expropriated.
3. The area or the property within the economic zone may be given on use for, a term of ninety nine (99) years only, with compensation for utilization, by the consent of the owner and in compliance with the law in force.
4. In case the utiliser of the area or the property for various reasons concludes his activity, it is liable to inform the developer/managing operator regarding his conclusion of activity.

5. Assets belonging to the investor of an economic zone cannot be confiscated unless the court decides otherwise.
6. Foreign investors in economic zones shall enjoy the same rights as the local investors.
7. The right to the decision it is not transferable to the third persons, without the approval of the authority that issued the license.

Article 9

Revoke or adjustment of the decision

1. The Minister of the Ministry of Trade and Industry shall revoke the decision from the developer in case:
 - 1.1. an economic zone ceases operating;
 - 1.2. it is certified that developer does not respect terms of decision;
 - 1.3. it is certified that provided with decision has committed a breach of this law or of the regulation of the economic zone;
 - 1.4. it is declared bankrupt that provided with decision;
 - 1.5. it is certified that the provided with decision hasn't paid off his obligations to the state;
 - 1.6. the decision term expired and there is no request made to renew it;
 - 1.7. it is requested from the provided with decision.
2. After notification from the Small and Medium Enterprise Support Agency on cases such as under paragraph 1. of this article, the Minister shall take a decision within a thirty (30) days term.
3. The Minister shall adjust terms of the developer's decision, upon a request of the developer.
4. Amendments from paragraph 3. of this article, Minister may carry out in case it doesn't contradicts with the procurement requirements to take such a decision.
5. The form, content, validity and taxes of issuing a decision shall be defined by sub-legal act issued from the Ministry.

Article 10
Responsible institution

1. The Ministry is the responsible institution that will pursue all activities to urge, identify and control operation of economic zones.
2. For the purpose of implementing paragraph 1. of this article, Ministry, within SMEA shall establish the Division of Economic Zones.
3. Organization, scope and operation of the Division of Economic Zones, shall be regulated by sub-legal act, issued by the Minister.

Article 11
The competences of responsible institution

1. The Division of Economic Zones has the task to:
 - 1.1. draft policies and plans for the development of economic zones;
 - 1.2. draft the regulation on operation of economic zones;
 - 1.3. identify the potential zones and prepares procedures for their declaration;
 - 1.4. urge and assist the developers, operators and utilisers to establish, develop and operate the zones;
 - 1.5. receive and evaluate applications for zone development;
 - 1.6. pursue implementation of the law, regulation, according to sub-paragraph 1.2 of this article, and also of the terms of decision from economic zone developers.

Article 12
Operation of economic zones

1. The Ministry by sub-legal act stipulates:
 - 1.1. procedures of control of economic zones;
 - 1.2. relationship between the responsible institution, zone developer and other institutions that affect into economic development zone by defining tasks to each one of them;
 - 1.3. application procedure and criteria provided with developer's decision.

Article 13
The developer, Managing Operator and Utiliser

1. When developer of an Economic Zone it is a publicly owner institution or a partnership (public-private) then for management of these economic zones shall be established a publicly owned company or contracted a managing company.
2. When economic zone developer is from the private sector, in such a case the provisions of paragraph 1. of this article shall not apply.
3. The relationship between the developer/managing operator and utiliser of the economic zone shall be regulated with a contract.
4. Managing operator and developer of the economic zone, by mutual agreement, stipulates organizational and technical requirements to exercise activities within an economic zone.
5. By the act from paragraph 4. of this article, shall be stipulated the working hours, operator's obligations related to facilities security and movement of people and goods in a utilisers zone, protection measures at work, environment protection measures and also other technical organizational issues on best possible operation of an economic zone.
6. The act issued under paragraph 5. of this article shall be submitted to the Ministry for approval.

Article 14
Deadline for beginning and development of economic zone

1. The developer cannot build, develop an economic activity within the economic zone without possessing a valid decision.
2. The developer after obtaining a decision is obliged that within a two (2) years term start developing the economic zone, otherwise the right to a decision shall be taken away.

Article 15
Fines

For any infringement of provisions of this law or any regulation or a decision issued in effect of it, punitive measures shall be taken in accordance to legal provisions in force.

Article 16
Application

The Ministry has a task to issue sub-legal acts within one (1) year from the day the law enters into force.

Article 17
Enter into force

This law shall enter into force (15) days after publishing it to the Official Gazette of the Republic of Kosovo.

Law No. 03/L-129
30 April 2009

President of the Assembly of the Republic of Kosovo

Jakup KRASNIQI