



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

Law No. 04/L-006

ON AMENDING AND SUPPLEMENTING OF THE LAW N0.02/L-123 ON BUSINESS ORGANISATIONS

Assembly of Republic of Kosovo;

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

Approves

**LAW ON AMENDING AND SUPPLEMENTING OF THE LAW
N0.02/L-123 ON BUSINESS ORGANISATIONS**

Article 1

1. In the entire text of the basic Law the expression “**capital stock for associations with limited responsibilities**” should be deleted from the text of the law.
2. In the entire text of the basic Law the expression “**Meeting of Shareholders**” is replaced with “**the Shareholders Assembly**”.
3. 1. In the entire text of the basic Law the definition and the abbreviation “**I.E**”- **Individual Enterprise** is replaced with the definition and abbreviation “**I.B**” - **Individual Business**.
4. In the entire text of the basic Law the definition and the abbreviation “**C.A**” - **Collective Association** is replaced with the definition and the abbreviation “**O.P**” - **Overall Partnership**.

5. In the entire text of the basic Law the definition and abbreviation “SHKM”, it is replaced with the definition and the abbreviation “**SH.K.M**” in English Language “**L.P.**” and in Serbian Language “**K.D**”.

6. In the entire text of the basic Law the definition and the abbreviation “**LLC**” –**Limited Liability Company**, it is replaced with the definition and the abbreviation “**L.L.C**” – **Limited Liability Company**.

7. In the entire text of the basic Law the definition and the abbreviation “**JSC**”-**Shareholding Association** is replaced with the definition and the abbreviation “**J.S.C**” - **Shareholding Association**.

8. In the entire text of the basic Law the term “**Company**” it is replaced with the term “**Corporation**”.

9. In the entire text of the basic Law the term “**Memorandum**” it is replaced with the term “**Agreement**”.

Article 2

1. At the whole text of the basic Law the deadline of sixty (60) days is replaced with deadline of thirty (30) days.

2. At the whole text of the basic Law the deadline from ten (10) calendar days is replaced with deadline of three (3) working days.

3. At the whole text of the basic Law, the deadline of twenty (20) days is replaced with deadline of fifteen (15) days.

Article 3

In Article 1 paragraph 1.2 of the basic Law, after the word “**of this law**” the second part of paragraph is deleted from the text of the law.

Article 4

1. Article 2 of the basic Law paragraph 2.1. the definition “**Registry Office**” is replaced with definition” **Kosovo Business Registration Agency**” (**KBRA**). This is amended through the entire text of the draft law.

2. Article 2 of the basic Law paragraph 2.1. the definition “**Head of the Registration Office**” is replaced with following definition “**Head Executive of the Kosovo Business Registration Agency**” (**KBRA**). This is amended through the entire text of the draft law.

3. Article 2 of the basic Law paragraph 2.1. the definition “**Family member**” is replaced with the following text “**Family Member**”, which means the close family: husband, wife, children, parents or legal inheritor.

4. Article 2 of the basic Law paragraph 2.1. the definition “**Legal Person**” is replaced with the following text: “**Legal Person**” - The status of legal person, according to this law has the Limited Liability Company “L.L.C.” and shareholding association “J.S.C”.

Article 5

1. In Article 3 of the basic Law paragraph 3.3 is reformulated with the following text:

3.3. Besides as foreseen in the paragraph 2 of this Article or paragraph 2 of Article 37 of this law, if one person who is not registered performs a trading activity in Kosovo, the mentioned person has committed violation of this law and shall be convicted according to the Kosovo Penal Code.

2. Article 3 paragraph 3.4 of the basic Law is replaced with the following text:

3.4. Regarding the persons or associations that commit the violations foreseen in paragraph 3 of this Article or any other violation of this law, the amount of monetary administrative fines should be determined in:

- a) proportion with level of the violation;
- b) in sufficient measure to prevent these violations.

Article 6

1. To Article 7 of the basic Law, after paragraph 7.5. two new paragraphs are added with the following text:

7.6. The Agency should perform the registration of public enterprises, which ended the procedures and should be transformed into corporations and agriculture co-operatives;

7.7. Registration of Cooperated Social Companies shall be made based on provisions of this law.

Article 7

1. Article 10 of the basic law paragraph 10. 5 is reformulated with the following text:

10.5. If whoever person considers that Registration Office or any official employed in it is not fulfilling the foreseen criteria in this Article, this person could submit complain to the Head of Business Registration Agency, who should decide on the complain within fifteen (15) days from the day of receiving it;

2. Article 10 of the basic law paragraph 10.5 are added four new sub-paragraphs with the following text:

10.6. If the Head of the Agency does not review the complain or with his decision denies the complain the complain submitter within eight (8) days, from the day of receiving the Decision could submit complain at the Commission regarding requests and complains, within MTI;

10.7. Commission regarding requests and complains within MTI is authorized and responsible to analyze this complain within fifteen (15) days, from the day of receiving it;

10.8. If the Commission approves the party's complain, he will demand from the Head of Registration Agency to undertake necessary measures in order to readjust this failure;

10.9. If the Commission refuses the party's complain or does not respond on complain within fifteen (15) days from the day of consigning it, the complain submitter may address to the Competent Court.

Article 8

1. The title of Article 12 of the Basic law "**Registration Tax**" is deleted and reformulated with the following text: "**Service Tax**".

2. Article 12 paragraph 12.1 of the Basic law is reformulated with the following text:

12.1. The businesses do not pay registry fees when they register. Minister through bylaw shall define the list of taxis to be paid for other services offered by the Agency.

Article 9

1. The Article 13 of the basic law, paragraph 13.9 is reformulated as following:

13.9. A person who is "an authorized person" based to paragraph 7 and 8 of this Article may –in order to submit the information or documents at the Registration Office, or to represent respective commercial society to this office- to authorize a person to act on his behalf. This assignment shall be done in written and dated by authorized person. A person who is "an Authorized person" acts in his behalf at the Registration Office through written authorization.

2. In Article 13 of the basic law, paragraph 13.12. after point b) is added the point c) with following text:

c) to establish registration center at the municipality level, and become central office for gathering and delivery of necessary documents for registration, monitoring of professional activity shall be performed by the KBRA.

3. In Article 13 of the basic law is added new paragraph, numbered as 13.14 with following text:

13.14. Business Organization may establish only persons older then eighteen (18) years.

Article 10

1. In Article 14 of the basic law paragraph 14.2, the deadline from ten (10) up to sixty (60) days is changed and replaced with a deadline from three (3) up to thirty (30) calendar days.

2. Article 14 paragraph 14.4 of the basic law is reformulated with the following text:

14.4. If the Business Registration Agency confirms that a delivered registration document does not fulfill one or more criteria of this law and because of this can not be registered, it should within three (3) working days from the day of receiving this document, inform the commercial company or its official representative through email, official mail address, conform the basic law.

Article 11

1. Article 17 of the basic law, paragraph 17.3 is replaced with the following text:

17.3. The party unsatisfied with the decision of the Head Executive of the ARBK in terms of eight (8) days, can submit complain at the Commission for Complains and Appeals. Against decision of the Commission for Complains and Appeals the unsatisfied party within thirty (30) days may initiate an administrative dispute to the Kosovo Supreme Court.

Article 12

In Article 19 of basic law, the deadline of 5 (five) years for record and document/hard copy documents saving, is amended and regulated conform law No.2003/7 on archive and archive documents.

Article 13

1. In the Article 33 paragraph 33.1 point (e) of the basic law, after the words **“Out of Kosovo”** the rest of the sentence is deleted and reformulated with the following text: **“If one of the founders is a legal entity, the registered headquarter name and address, or the official name and address of headquarter where the main activities are being done, which might be in Kosovo or abroad”**.

2. In Article 33 of basic law, paragraph 33.1, points h), i) and j), are deleted from the text.

Article 14

In the Article 34 paragraph 34.1 point (d) of the basic law, the term **“declaration”** is replaced with the term **“Decision”**. In the same point is also deleted the conjunction **“and”**

Article 15

1. In Article 35 paragraph 35.1 point i) of basic law is changed the capital stock amount from twenty five thousand (25.000) € to ten thousand (10.000) €

2. In Article 35 paragraph 35.1 points j) and k) of basic law are deleted from the text of the law.

Article 16

In the Article 36 paragraph 36.3. point d) of basic law, the term **“declaration”** is replaced with the term **“Decision”**.

Article 17

1. Article 37 paragraph 37.3 of basic law is deleted and replaced with the following text:

37.3. If a foreign trading association is obliged according to paragraph 1 of this Article to register at the Business Registration Agency, the authorized person should sign and deliver KBRA the **“decision of the foreign trading association”**, which comprises these data:

2. Article 37 paragraph 37.3 point b) of basic law is deleted and replaced with the following text:

b) Registration certificate of the foreign association at the place of origin or the document, which is equivalent to registration certificate, which should be original or notarized, not older than three (3) months from the date of issue and confirms regular establishment of foreign trading association in that jurisdiction. If the certificate is not in Albanian, Serbian or English Language, the same one should be translated into one of these three languages and translation should be notarized. This document should be attached to the decision;

Article 18

1. In Article 39 paragraph 39.1 of basic law, after point (g) is added new point (h) with the following text:

h) the authorized person should attach to the notification the original confirmation of Kosovo Tax Administration, by which is confirmed that the associations has fulfilled all tax obligations.

Article 19

Article 42, 43 and 79 of the basic law are deleted from the text of the law.

Article 20

In Article 80 paragraph 80.1 of the basic law, after the word “**assets**” other part of text is deleted at all.

Article 21

In Article 81 of the basic law is deleted the following text: “**and has provided to the Registration Office evidence on payment of capital stock under Article 79 of this law**”, whereas the following part of the text remains unchanged.

Article 22

Article 84 of basic the law is reformulated with the following text:

The limited liability company may have as a founder and shareholder one or more natural or legal person, excluding the NGOs.

Article 23

In Article 86 paragraph 86.2 point d) of basic the law is deleted the following text: **“or shall be in compliance with deposited capital”**.

Article 24

In the Chapter VIII of the basic law, before the Article 106, the Article 106A is added with the following text:

Article 106 A

The Limited Liability Company is governed by the Shareholders Assembly and by the Director or Managing Directors. The Company can create and hold a Board of Directors if this is regulated through the Company Agreement and the Statute. If the Company forms the Board of Directors, its authorization, the number of members, the procedure for election, time-limits for fulfilling the duty as well as the voting procedures in the Board, will be defined by the Agreement and the Statute of the Company.

Article 25

In Article 127.1 of the basic law, the amount of twenty five thousand (25.000) € is replaced with amount of ten thousand (10.000) €

Article 26

In Article 153 paragraph 153.1 of the basic law, the amount of twenty five thousand (25.000) € is replaced with amount of ten thousand (10.000) €

Article 27

1. The Article 184 of the basic law paragraph 184.1. is reformulated with the following text:

184.1. Every Officer or Director should avoid actual or potential conflicts between personal interests and those of company, it is obliged to inform to the Board of Directors or a Decision taking Commission (or when is enforced in presence of stockholders, if they will take respective decision) whatever personal or financial interest he/she may have directly or indirectly through his/her relatives or personal collaborators, in regard to existing or potential (i) contract or transaction, (ii) competitor, (iii) mortgagee, (iv) supplier, (v) client, (vi) consultant, (vii) employee, (viii) partner and/or (ix) whatever

decision made by the company, board of the directors or stockholders in regard to above issue”.

2. The Article 184 of the basic law paragraph 184.3. after the word “**stockholder**” is amended and supplemented with the following text: **“This communication shall be publish at the mass media as part of annual financial report in accordance with the International Financial Reporting Standards (IFRS), and shall also include all documents and information in regard to the transaction parties; type and activity of the interests of involved parties; also any relevant information in regard to transaction. Within the same paragraph, after the word “non-notification”, is added the following sentence” to submit his/her profit gained by transaction”.**

3. In Article 184 of the basic law, after paragraph 184.4 are added five new paragraphs with following text:

184.5. Transactions described within paragraph 1 and 2 of this Article shall be approved by majority votes of the stockholders that do not have any interest from it, or when the transaction is a decision made by one stockholder, then such transaction shall also be approved with majority votes of stockholders.

184.6. In cases of transactions described in paragraph 1 and 2 of this Article, the stockholders can sue the interested party and ask for compensation for the damage caused and submission of accumulated profit from this transaction, if it will be documented that the company is damaged by the transaction, and that this transaction will be concluded with better conditions if would not have a conflict of interest in certain transaction. Transaction approved by the general stakeholders meeting does not tack off the officers` responsibilities in case the transaction is prejudicial to the company or stockholders.

184.7. The Competent Court can abolish the transactions described within paragraph 1 and 2 of this Article, if it will be documented that the company is damaged by this transaction and this transaction shall be concluded with better conditions if there wouldn't be the conflict of interest.

184.8. The Company Director shall be free from the responsibility in case of voting against the decision approved by the company body, which has resulted with loss to the company and stockholders.

184.9. Stockholder or stockholders who submit indictment in the Competent Court for abolishment of the transactions described within paragraph 1 and 2 of this Article, have right for full access in documents that are related to contested transactions before and after the legal procedure.

4. Article 184 of the basic law paragraph 184.5. is renumbered as paragraph 184.10.

Article 28

Article 188.3 of the basic law, after the word **“accepted”** is added the word **“and profits”**.

Article 29

In Article 192 of the basic law paragraph 192.1. point f) after the word **“society”** is added the following text: **“that should be prepared in accordance with Financial Reporting of International Standards (FRIS), and published annually in mass media and”**.

Article 30

1. In Article 221 of the basic law in the existing text. is renumbered as paragraph 221.1 and amended the percentage from **“50%”** to the **“20%”**.

2. To the Article 221 of the basic law after the renumbered paragraph as paragraph 221.1 is added new paragraph 221.2 with the following text:

221.2. In case the transactions as described in paragraph 1 and 2 of Article 184, exceed 20% of company assets, the Board of Directors shall ask a written and independent opinion on transaction from the Professional Independent Finance Advisor who is licensed by the central banking authority or by any equivalent body licensed abroad in order to evaluate transaction conditions and to evaluate if the transaction is in accordance with the market price. This evaluation shall be presented to the stakeholders at least five (5) days before the transaction is approved by the stakeholders` emergency meeting.

Article 31

In Article 232 of basic law, paragraph 232.1 point a) the first line up to the phrase **“in case of non submission of the Annual Report or”** is deleted, while the rest of the text remains the same.

Article 32

Article 236 of the basic law is deleted from the text of the law.

Article 33
Abrogating Provisions

With entering into force of this law, the UNMIK Regulation No.2008/26, UNMIK Regulation No.2001/6, UNMIK Administrative Order No.2002/22 and Administrative Directive No.2003/1 shall be abrogated.

Article 34
Entry into force

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

Law No. 04/ L-006
23 June 2011

President of the Assembly of the Republic of Kosovo

Jakup KRASNIQI