



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

Law No.04/L-116

**ON AMENDING AND SUPPLEMENTING THE LAW No. 03/L-048 ON
PUBLIC FINANCIAL MANAGEMENT AND ACCOUNTABILITY,
AMENDED AND SUPPLEMENTED BY THE LAW No. 03/L-221**

Assembly of Republic of Kosovo;

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

Approves

**LAW ON AMENDING AND SUPPLEMENTING THE LAW No. 03/L-048 ON
PUBLIC FINANCIAL MANAGEMENT AND ACCOUNTABILITY,
AMENDED AND SUPPLEMENTED BY THE LAW No. 03/L-221**

Article 1

1. Article 1 of the basic Law, paragraph 1.1., the definition “ICR” shall be deleted from the text of the Law.
2. Article 1 of the basic Law, paragraph 1.1, after the definition “ **Undertaking**” there shall be added a new definition “**ELA**” with the following text:

ELA- means Emergency Liquidity Assistance.

Article 2

1. Article 4 of the basic Law, paragraph 4.5. shall be reworded as following:

4.5. Treasury is headed by a General Director. Minister is authorized to appoint the General Director. Minister should, first of all, provide that a respective person (i) has significant experience in banking and/or financial payments operations, (ii) has not been convicted of any criminal offense, (iii) performs no leadership or other significant function for any political party and (iv) possesses a suitable moral character and professional background.

2. Article 4 of the basic Law, paragraphs 4.6., 4.7., and 4.9. shall be reworded with the following text:

4.6 The General Director shall serve for a five-year term. The General Director may be re-appointed for one or more additional five year terms. The Minister may, with the written consent of the Prime Minister, dismiss the General Director from that position prior to the expiration of the five-year term only for good and justifiable reasons, which may include any of following:

- a) the General Director has repeatedly demonstrated that he/she lacks the necessary competence to professionally administer the Treasury and its operations;
- b) the General Director has failed to exercise the reasonable professional diligence in ensuring that his/her acts and the acts of Treasury personnel are consistent with and authorized by Law;
- c) the General Director has repeatedly failed to fulfill his/her obligations under points a) and/or b) of paragraph 2 of this Article; or
- d) the General Director has been engaged in any act involving a conflict of interest; or
- e) the General Director has permitted that the Treasury personnel to be engaged in any act for which the General Director has been aware that it involves a conflict of interest, or that the General Director, through the exercise of reasonable managerial diligence, should have known that it involves a conflict of interest.

4.7.If the Minister, after receiving the consent of the Prime Minister, exercises his/her right to dismiss the General Director, the Minister shall deliver to the General Director with a written statement in which there should be noted the reasons of dismissal along with a copy of the Prime Minister`s consent for dismissal. If the dismissed person considers that the dismissal has no lawful justification basis, such person may apply to

the competent court to review this matter; and such court shall have the authority to take whatever measures that it deems lawful and appropriate.

4.9. The General Director shall be obligated on annual basis, to deliver to the Minister, the Assembly, the Government, municipalities and Prime Minister an annual report on all matters relating to the operation of the Treasury as well as the implementation of the FMC Rules and the Budget of Republic of Kosovo. This report should include a provision (i) in which there are described the most significant problems in the Treasury's operation and the implementation of the FMC Rules and the Budget of Republic of Kosovo, and (ii) in which the General Director provides recommendations on possible solutions of these problems.

Article 3

Article 18 of a basic Law, after paragraph 18.4 there shall be added a new paragraph 18.5 with the following text:

18.5. Treasury shall establish a special fund of reserves for Emergency Liquidity Assistance of financial system. Special fund of reserves for Emergency Liquidity Assistance shall be kept in the Central Bank of Republic of Kosovo account and shall be governed and administrated by the Central Bank in compliance with Article 14 of Law on Central Bank of Republic of Kosovo. Fund assets ELA cannot be withdrawn by the Treasury without consent of Central Bank of Republic of Kosovo. These funds shall be considered part of the bank balance of the Kosovo Consolidated Fund.

Article 4

1. Article 81 of the basic Law, there is added a new paragraph 81.1. with the following text:

81.1 In case of discrepancy with other Laws and sub-legal acts, related to public money management, provisions of the Law on Public Financial Management and Accountability, shall prevail, in compliance even with Article 36 of the Law on Public Financial Management and Accountability.

2. Article 81 of the basic Law, paragraphs 81.1., 81.2., 81.3. shall be renumbered as 81.2., 81.3. and 81.4.

Article 5

After Article 80 of the basic Law, there shall be added a new Article 80.A with the following text:

Article 80.A
Transitional provisions

Provisions of this Law related to the competences of International Civil Representative will enter into force when the mandate of International Civilian Office is ended.

Article 6
Entry into force

This Law shall enter into force in the day of its publication in Official Gazette of Republic of Kosovo.

Law No. 04/L-116
14 June 2012

President of the Assembly of the Republic of Kosovo

Jakup KRASNIQI