



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

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**Law No. 04/L-111**

**ON AMENDING AND SUPPLEMENTING THE LAW No. 03/L-087 ON  
PUBLICLY OWNED ENTERPRISES**

**Assembly of the 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-087  
ON PUBLICLY OWNED ENTERPRISES**

**Article 1**

After Article 1 of the basic Law there shall be added a new Article with following naming and content:

**Article 1.A**  
**Objective**

This Law aims to amend and supplement the Law No. 03/L-087 on Publicly Owned Enterprises, published in the Official Gazette No. 31 (June 15, 2008)

## Article 2

1. Article 2 of the basic Law, the definition “**Minister**” shall be amended and reworded following:

“**Minister**” - means the Minister of the relevant Ministry for Economic Development, and this amending is applicable for the whole text of the basic Law.

2. Article 2 of the basic Law, the definition “**Ministry**” shall be amended and reworded as following:

“**Ministry**” - means the relevant Ministry for Economic Development.

3. Article 2 of the basic Law, after the definition “**Shareholder**” there are added two new definitions with the following text:

“**Elected public official**” - means the individual exercising a public post acquired through elections.

“**Political appointee**” - means a person appointed or proposed by the political entity as a candidate for an elected post.

## Article 3

Article 5 of the basic Law, paragraph 5.1 in the second part of the paragraph, after the sentence “The select committee shall always include...”, the text “the Minister of Economy and Finance” shall be deleted and replaced with “the relevant Minister for Economic Development”; “Minister of Energy and Mining” shall be deleted and replaced with “relevant Minister for Finance”; “Minister of Transport and Telecommunications” shall be deleted and replaced with “Minister of Infrastructure”.

## Article 4

1. Article 7 of the basic Law, paragraph 7.1 shall be reworded as following:

7.1. The Shareholder(s) of a POE, through the POE Policy and Monitoring Unit shall exercise continuous and rigorous oversight over the activity of the Board of Directors and Audit Committees of such POE.

2. Article 7 of the basic Law, paragraph 7.4, after the sentence “Whenever necessary, the POE Policy and Monitoring Unit shall require the submission of more specific information” there shall be added the phrase “from the management”.

3. Article 7 of the basic Law, paragraph 7.5 shall be reworded as following:

7.5. Communications between the Shareholder(s) or the POE Policy and Monitoring Unit and a POE's Board of Directors or Audit Committee shall be regularly be channeled through the chairman of, as the case may be, the Board of Directors or the Audit Committee, and with the aim of informing and oversight, the POE Policy and Monitoring may directly communicate with the senior POE officials.

#### **Article 5**

1. Article 9 of the basic Law, paragraph 9.2. point (i), the naming "Minister of Economy and Finance" shall be deleted and replaced with the text, "Minister of the relevant Ministry of Economic Development.

2. Article 9 of the basic Law, paragraph 9.3 shall be reworded with the following text:

9.3 The Government Privatization Committee shall be supported by a Privatization Implementation Unit that shall be established for this purpose by the Minister within the POE Policy and Monitoring Unit of the relevant Ministry for Economic Development. The Privatization Implementation Unit shall be directly accountable to the Government Privatization Committee and it shall include or be supported by professional external advisors as the Government Privatization Committee may deem necessary.

#### **Article 6**

Article 11 of the basic Law, after the sub-paragraph 11.2, there is added a new sub-paragraph 11.3. with the following text:

11.3. Municipalities shall have the right to establish publicly owned local enterprises in accordance with criteria established by a sub-legal act of the Government. The criteria shall include reasonable requirements for operational and financial sustainability.

#### **Article 7**

Article 14 of the basic Law, paragraph 14.3 in the second part of the paragraph after the sentence "a POE shall prepare and" the following phrase shall be added "after external auditing of"

#### **Article 8**

1. Article 15 of the basic Law, paragraph 15.1 shall be reworded as following:

15.1. The Board of Directors of a Central POE shall consist of five (5) or seven (7)

Directors, where one (1) of them should be of non-majority community. All Directors, with the exception of one, shall be elected by the Government, and each such elected director shall have a term of three (3) years. The other director shall be the POE's CEO, who shall be selected by the POE's Board of Directors in accordance with Article 21 of this Law. In electing directors of the Board of Directors of a Central POE, the Government may only elect persons recommended to the Government by the relevant Recommendation Committee established by paragraph 2 of this Article. In electing directors, the Government shall ensure that from the list of recommendations at least two (2) directors are proficient in, or at least have an adequate knowledge of accountancy as required by Article 17.4 of Law No.03/L-087 on Publicly Owned Enterprises.

2. Article 15 of the basic Law, after paragraph 15.13 there is added a new paragraph 15.14 with the following text:

15.14. Municipal Participation on the Boards of Regional Water Companies:

a) at the Board of Directors for each RWC, the Government shall appoint at least half of the Directors from amongst candidates nominated by the Municipalities serviced by such RWC.

b) the respective Municipalities shall submit to the Government a number of candidates fulfilling the criteria defined in this Law, which is at least three (3) more than the number of available director positions reserved for municipal representatives.

c) if the respective municipalities do not nominate sufficient numbers of eligible candidates to serve as Directors, the municipalities will have one additional opportunity after six (6) months to submit new eligible candidates. In the interim, the Government may appoint a qualified interim Director.

d) if the municipalities do not nominate eligible candidates for election within the additional six (6) month period, the Government shall appoint a qualified Director to serve for the remainder of the term.

e) the nomination and appointment procedure for municipal candidates shall be set forth in a sub-legal act issued in accordance with this Law.

## **Article 9**

Article 17 of the basic Law, paragraph 17.1, after point (d) there is added a new point (e) as the following:

(e) is not employed in an institution where development policies for the POE where the candidate works are created.

### **Article 10**

1. Article 18 of the basic Law, paragraph 18.1, at the end of the paragraph after the sentence "of the activity of POE's officials, there shall be added the phrase " but this does not also mean the interference in micromanagement".

2. Article 18 of the basic Law, paragraph 18.3, point (i) shall be reworded as following:

(i) the Government through the POE Policy and Monitoring Unit, for Central POEs, or

### **Article 11**

Article 19 of the basic Law, paragraph 19.2 shall be reworded as following:

19.2. If the Shareholder(s), through the POE Policy and Monitoring Unit, establish that such a breach has in fact occurred, the Shareholder(s) shall, (i) after the recommendation of the POE Policy and Monitoring Unit, promptly dismiss and replace the responsible director or directors and (ii) the POE shall be required to promptly seek legal redress against the director(s), who have carried out the breach, whenever the available evidence appears reasonably sufficient to successfully sustain a legal action seeking compensation for the damage caused against the POE by such breach; provided, however, that the POE shall not be required to file suit against the breaching director(s) if it is reasonably likely that the amount of damages that may be recovered is less than the reasonably anticipated legal costs that the POE will ultimately have to bear in court proceedings.

### **Article 12**

1. Article 20 of the basic Law, paragraph 20.5, point (iii) shall be reworded as following:

(iii) limit the annual performance incentive remuneration (if any) to be determined after the auditing of financial sheets and the publication of performance reports by the regulatory offices. This bonus-remuneration shall be payable to directors, in an amount up to fifty percent (50%) of the basic fee provided for pursuant to paragraph 2 of this Article.

2. Article 20 of the basic Law, paragraph 20.6 shall be reworded as following:

20.6. The POE shall be responsible for paying all required remuneration to its directors only from payments as envisaged in the Shareholders Decision. The directors of a POE shall not receive any other remuneration or benefits from the POE.

### **Article 13**

Article 21 of the basic Law, paragraph 21.4 shall be reworded as following:

21.4 In selecting persons to be appointed as the officers of the POE, the Board of Directors shall conduct an open, transparent and competitive procedure which aims that all such appointments are based exclusively on merit. The Board of Directors shall ensure that all persons appointed as officers are persons of recognized integrity who (i) meet the eligibility requirements of Article 17.1, (ii) meet the independence criteria established by Article 17.2, points (d), (f), (j), (k), and (l), (iii) are not, or in thirty-six (36) months prior to the application date have not been Board Members of the company in question, and (iv) have the appropriate professional background and education required for the concerned officer position; provided that (i) the Chief Financial Officer/Treasurer shall possess a university degree and substantial professional experience in business finance and/or accounting; (ii) the General Counsel/Corporate Secretary shall possess a university degree in Law and substantial professional experience in corporate governance or business organization law; and (iii) the Internal Audit Officer shall be a person certified expert in accountancy.

### **Article 14**

1. Article 24 of the basic Law, paragraph 24.1 shall be reworded as following:

24.1. Each Audit Committee shall consist of three (3) elected directors. The Audit Committee and the Chairperson shall be designated by the Minister. At least two (2) members so designated shall be directors who are proficient in, or at least have an adequate knowledge of, accountancy. The third member shall be a director other than the CEO or the chairperson.

2. Article 24 of the basic Law, paragraph 24.3 shall be deleted entirely.

### **Article 15**

Article 28 of the basic Law, paragraph 28.2, point (ii) shall be reworded as following:

(ii) in the case of a Local POE, the members of Municipal Shareholders Committee(s), latest by 30 May of the respective year.

### **Article 16**

Article 29 of the basic Law shall be reworded as following:

Under the responsibility of the CEO, the POE shall regularly test the satisfaction of its customers with the services it provides. The enterprise shall adopt adequate procedures, and shall issue a

brief, plain-language report setting out the level of customers' satisfaction and the CEO's observations on any material changes in the level of satisfaction. The report shall be submitted to (i) the POE Policy and Monitoring Unit, latest by 31 March for the preceding year, which shall publish the report on its web-site and (ii) as appropriate, the Government or the concerned Municipal Shareholder Committee(s).

#### **Article 17**

Article 30 of the basic Law, paragraph 30.1 the first part of the paragraph shall be amended and reworded as following:

30.1. The Officers of every POE shall, by October 31 of each calendar year, prepare its Business Plan for the upcoming calendar year, in line with sectorial development policies as drafted by the Line Ministry, and in accordance with Municipal Development Plans. Such Plan shall be submitted for approval first to its Board of Directors. After such approval is obtained the Business Plan shall be provided for information purposes to, as appropriate, to the Minister or the concerned Municipal Shareholder Committee(s). The Business Plan may be reviewed after the first six (6) months of the year. The Business Plan must analyze at least as the following:

#### **Article 18**

Article 31 of the basic Law, after paragraph 31.5 there is added a new paragraph 31.6 as following:

31.6. Annual and quarterly informative reports shall also be sent to the Mayor where the Public Owned Enterprise operates, in accordance with the Law on Local Self-Government.

#### **Article 19**

1. Article 33 of the basic Law, paragraph 33.1 shall be reworded as following:

33.1 Annual Financial sheets of each POE shall be subject to an external audit foreseen by Law in accordance with applicable international standards. This audit shall be conducted by an independent, competent and qualified auditor. The final product of a such auditing should be an opinion on verity on Annual Financial Sheets including here even the Management Letter. The opinion and Management Letter should be submitted to the POE Policy and Monitoring Unit, latest by 3 May of the coming year for the preceding year. Besides, the Auditor general, Government and Assembly may conduct any kind of auditing that they consider it as necessary.

2. Article 33 of the basic Law, paragraph 33.3 shall be reworded as following:

33.3 Auditing of Financial Sheets shall be carried out by the office of Auditor General. alternatively, POE's Procurement Officer shall procure the services of an auditor to conduct such external audit in accordance with the requirements of the Law on Public Procurement, and the requirements of Article 33 of the Law No. 03/L-087 on Publicly Owned Enterprises. The concerned contract shall have a maximum term of three (3) years.

## **Article 20**

Article 34 of the basic Law, paragraph 34.1 shall be reworded as following:

34.1. All POEs shall establish and put in force regulations as required by the Law on Business Organizations. The adoption, amendment, supplementation and repeal of POE's Regulations shall be within the exclusive competence of the POE's Board of Directors; however, the POE's Shareholder(s) shall ensure that such regulations are consistent with this Law and the model of regulations promulgated by the Minister under paragraph 4 of Article 34 of the Law No. 03/L-087 on Publicly Owned Enterprises.

## **Article 21**

In Article 39 of the basic Law, paragraph 39.1 the naming "Ministry of Economy and Finance" shall be deleted and replaced with the naming "relevant Ministry for Economic Development".

## **Article 22**

Article 43 of the basic Law, paragraph 43.1 shall be reworded as following:

43.1 The Government shall have the authority to appoint a transitional Board of Directors ("Transitional Board of Directors") for each POE to serve as the POE's Board of Directors for a maximum six-month period beginning on the date of the adoption of the Decision on the Establishment of the new Publicly Owned Enterprise, or from the removal of the current Board until the selection of the permanent Board pursuant to Article 15 of the Law No. 03/L-087 on Publicly Owned Enterprises.

## **Article 23**

1. Schedule 1 of the Central POE of the basic Law shall be deleted and reworded as following:



## **Schedule 1**

### **Central Publicly Owned Enterprises**

1. Kosovo Energy Corporation JSC (KEK);
2. Kosovo Electricity Distribution and Supply Company (KEDS Co);
3. Transmission System and Market Operator, JSC (KOSTT);
4. Post and Telecommunications of Kosovo J.S.C. (PTK);
5. Kosovo Railways – TrainKos J.S.C;
6. Kosovo Railways – InfraKos J.S.C.;
7. Pristina International Airport– Air Control “Adem Jashari” J.S.C;
8. Kosovo Landfill Management Company J.S.C;
9. HPE Iber Lepenc JSC;

### **Regional Irrigation Companies:**

1. Irrigation Company Drini i Bardhe J.S.C –Peja.
2. Irrigation Company Radoniqi-Dukagjini J.S.C Gjakova.

### **Regional Water Companies:**

1. Regional Water Company Prishtinë J.S.C, Prishtinë;
2. Regional Water Company Hidrodrini J.S.C, Peja;
3. Regional Water Company Hidroregjioni Jugor J.S.C, Prizren;
4. Regional Water Company Mitrovica J.S.C, Mitrovica;
5. Regional Water Company Hidromorava J.S.C, Gjilan;
6. Regional Water Company Radoniqi J.S.C, Gjakove.
7. Schedule 2 of the Local POE in the Law into force shall be deleted and reworded as following:

## Schedule 2

1. District Heating Termokos J.S.C, Prishtinë, Prishtinë 100%;
2. District Heating Gjakova J.S.C, Gjakova, Gjakova 100%;
3. Regional Waste Company Cabrati J.S.C, Gjakova, Gjakova 100%;
4. Waste Company JKP Standard, Mitrovica Mitrovica 100%;
5. Waste Company JKSP Zvecan, Zvecan, Zvecan 100%;
6. Water and Waste Company Ibar, Zubin Potok, Zubin Potok 100%;
7. Water Waste Company 24 November, Leposavic, Leposavic 100%;
8. Regional Water Company Bifurkacioni J.S.C Ferizaj:
  - 8.1. Operational Unit Ferizaj, Ferizaj 85.3%
  - 8.2. Operational Unit, Kacanik, Kacanik 14.7%.
9. Public Housing Enterprise, Prishtinë, Prishtinë 100%;
10. POE Tregu, Mitrovica, Mitrovica 100%;
11. Regional Waste Company Pastrimi J.S.C, Prishtina;
12. Regional Waste Company Ambienti J.S.C, Peja;
13. Regional Waste Company Pastertia J.S.C, Ferizaj;
14. Regional Waste Company Eco-Regioni J.S.C, Prizren;
15. Regional Waste Company Higjiena J.S.C, Gjilan;
16. Regional Waste Company Uniteti J.S.C, Mitrovica;
17. Hortikultura J.S.C. – Prishtinë, Prishtinë 100%;
18. Sport-Marketing J.S.C – Prishtinë, Prishtinë 100%;
19. MPOE Trafiku Urban J.S.C. -Prishtina ,Prishtina 100%;
20. Public Housing Enterprise J.S.C. – Podujevë, Podujevë 100%;

21. Public Housing Enterprise J.S.C. – Pejë, Pejë 100%.

**Bus Stations:**

1. Bus station in Prishtina, Prishtina 100%.
2. Bus station in Podujevë, Podujevë 100%.
3. Bus station in Fushë-Kosovë, Fushë-Kosovë 100%.
4. Bus station in Glllogoc, Glllogoc 100%.
5. Bus station in Lipjan, Lipjan 100%.
6. Bus station in Prizren, Prizren 100%.
7. Bus station in Dragash, Dragash 100%.
8. Bus station in Malishevë, Malishevë 100%.
9. Bus station in Suharekë, Suharekë 100%.
10. Bus station in Mitrovicë, Mitrovicë 100%.
11. Bus station in Vushtrri, Vushtrri 100%.
12. Bus station in Leposaviq, Leposaviq 100%.
13. Bus station in Zubin Potok, Zubin Potoku 100%.
14. Bus station in Zveçan, Zveçan 100%.
15. Bus station in Gjilan, Gjilan 100%.
16. Bus station in Viti, Viti 100%.
17. Bus station in Ferizaj, Ferizaj 100%.
18. Bus station in Kaçanik, Kaçanik 100%.
19. Bus station in Pejë, Pejë 100%.

20. Bus station in Istog, Istog 100%.
21. Bus station in Deçan, Deçan 100%.
22. Bus station in Gjakovë, Gjakovë 100%.
23. Bus station in Rahovec, Rahovec 100%.

**Article 24**  
**Entry into force**

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

**Law No. 04/L-111**  
**20 April 2012**

**President of the Assembly of the Republic of Kosovo**

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**Jakup KRASNIQI**