



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

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**Law No. 04/L-021**

**ON EXCISE ON TOBACCO PRODUCTS**

**Assembly of Republic of Kosovo,**

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

Approves

**LAW ON EXCISE ON TOBACCO PRODUCTS**

**Article 1**  
**Purpose**

This law aims the adjustment of the particular payment of excise on tobacco products which are produced, imported and sold in the customs territory of Republic of Kosovo.

**Article 2**  
**Scope**

This Law regulates the legal relations that deals with determination of excise on tobacco products, conditions, procedures, rights and obligations to which subjected are the excise taxpayers, as well as issues related with rules for collection and administration of excise tax on tobacco products by Kosovo Customs.

### **Article 3**

#### **Definitions**

1. Terms used in this Law have these meanings:

1.1. **Excise taxpayer** - each person, authorized or not, that performs a business or economic activity, which is a subject to provisions of this law or that consists and includes production, purchasing, vending, importation, exportation, treatment or use of each tobacco product, of each quality or description, that is subject to the excise.

1.2. **Excise on tobacco products** - the tax set on goods manufactured, imported, and sold in the custom's territory of Kosovo.

1.3. **Excise Subject** - the burden which is subject to the excise tax.

1.4. **Banderol** - the fiscal stamp which shall be attached to each usual unit of tobacco products, as an evidence of excise payment according to this Law.

1.5. **Duty free-shop** – especially at the airport where goods can be purchased without a tax by buyers in the exit of Kosovo customs territory;

1.6. **Cigarettes** - every tobacco roll, which can be smoked as it is and which is not included in the cigar definition;

1.7. **Cigars and cigarillos** - the tobacco leaf suitable for smoking, which are covered with protective leaf or with wrapping protecting leaf.

1.8. **Tobacco for smoking** - the minced, tenuous, pressed or printed tobacco into folios, suitable for smoking without further industrial processing.

1.9. **Tobacco for sniffing** - the powdered tobacco, or in granules shape, which is not suitable for smoking, but only for sniffing.

1.10. **Tobacco for chewing** - the tobacco in shape of rolls, sticks, laces, cubes or wrapped like in folio and other tobacco products prepared in such way which are not suitable for smoking or any other usage.

1.11. **Producer** - each person that produces tobacco products taxable with excise, whether this person is authorized or not.

1.12. **Reimbursement** - the total or partial refund of paid excise.

**Article 4**  
**Basis for calculation of excise tax**

1. Basis for calculation of excise is common unit determined as follows:

1.1. for cigarette, of common weight one (1)-kilogram of common weight; any cigarette shall be shall be considered to have one (1)-gram of conventional weight and, consequently, one thousand (1.000) cigarettes shall be deemed to weigh one (1)-kilogram; any cigarette more than nine (9) centimeters long (excluding any filter or mouthpiece) shall be treated as nine (9) centimeters or part thereof were one separate cigarette;

1.2. for pure cigarette and in cigarillos per weight unit;

1.3. for any other kind of tobacco, one (1) kilogram;

**Article 5**  
**The Excise Tax**

The excise tax for tobacco products is paid according to the Law for the Excise Rate in Kosovo.

**Article 6**  
**Excise Obligation**

1. The obligation for paying the excise tax on tobacco products shall be established:

1.1. at their manufacturing on the territory of Kosovo;

1.2. at their importation on the territory of Kosovo.

**Article 7**  
**The Term for Excise Payment**

The excise tax for tobacco products must be paid within the period time foreseen in Customs and Excise Code for paying the custom duty.

**Article 8**  
**Enforced Collection**

1. Enforced collection of excise and other payments regarding to them, shall be conducted as following:

- 1.1. levies in collected accounts and bank accounts;
- 1.2. the seizure of property and limitations over property rights in asset;
- 1.3. the selling of fortunes in public auctions, and
- 1.4. the reimbursement of tools by third party, including banks or other financial institutions.

## **Article 9**

### **Exemption from Excise**

1. The excise tax shall not be paid for tobacco products as in the following:
  - 1.1. tobacco products that are exported according to the License issued from Kosovo Customs, along with export evidences;
  - 1.2. the excise tax from sub-paragraph 1.1. of this paragraph shall not be paid if the exporter fulfils these conditions:
    - 1.2.1. one copy of export customs declaration,
    - 1.2.2. the certificate from the competent customs office where the export is performed, and
    - 1.2.3. tobacco products to be alienated from Kosovo customs territory;
  - 1.3. tobacco products which are under supervision of Kosovo customs, are eliminated or made impracticable for sale;
  - 1.4. products which are imported, that enter or are received from the foreign world on which the Customs and Excise Code is foreseen for release from customs duties;
  - 1.5. products meant for analyzing the quality or products for scientific researches, analysis and experiments for industrial purposes, in sufficient quantity, defined by sub-legal act;
  - 1.6. tobacco products which are sent to diplomatic representatives, consulates and their personnel on base of reciprocity, the international military presence and their personnel, except the local ones, being based on the certificate of authorized body;
  - 1.7. tobacco products which are sent to persons who according to the certificate from the authorized body are released from excise payment when it is foreseen by an international agreement;

1.8. tobacco products which are sent from customs warehouses to duty free shops warehouses with the purpose for vending them to the passengers that leave the country, by presenting the exit ticket;

1.9. tobacco products which are sent from free zones and customs warehouses to warehouses for supplying airplanes in the international traffic;

### **Article 10 Seizure and Destruction**

For seizure and elimination of tobacco products, the Ministry of Finances promulgates this sub-legal act.

### **Article 11 License for Import and Export of Tobacco Products**

1. Regardless from foreseen exclusions according to the Law in force, every person that imports tobacco products in Kosovo and each producer of tobacco products in Kosovo must possess a valid licence.

2. Licenses are issued by Kosovo Customs and for it shall be paid administrative tax.

3. The Ministry of Finances promulgates this sub-legal act, for defining procedures on issuing the licences and the amount of administrative tax.

4. The import and export of tobacco products, for supplying airports and airplanes which fly in the international air space, free shops can be performed by persons according to the authorization for using the assigned customs procedures.

5. If a legal person referred to in paragraph 1 of this Article does not comply or violate in purpose repeatedly provisions of this Law, Customs may revoke or annul the licence.

### **Article 12 Transporting Tobacco Products**

1. Transporting tobacco products is allowed with waybill and designated destination under custom observance.

2. Packages for retail shall not contain something that is not tobacco product.

**Article 13**  
**Retail Price Determination**

Retail prices of tobacco products, sold in Kosovo market, are established in accordance with free market principles

**Article 14**  
**Emplacement of Fiscal Banderols**

1. Tobacco products which are in free circulation in the customs territory of Republic of Kosovo shall be marked with a fiscal banderol with inscription “Republic of Kosovo – Ministry of Finances”, which except the inscription must contain the mark in serial letters and the number.
2. Fiscal banderols shall not be issued to the excise taxpayer who does not pay the received fiscal banderol and the cast excise within the term laid down.
3. Local tobacco products that are exported, are sold in duty free shops at the airports, airplanes that fly in the international air space may not be marked with identifying fiscal banderol with the consent of Custom, but, shall be marked export sentences in the official language in Kosovo or in any another language.
4. Excise taxpayers on tobacco products must place the fiscal banderols on packages for retail under the plastified layer, visible in case of opening the package which must be damaged.
5. Tobacco products without fiscal banderols are considered as products on which the excise tax is not calculated or collected therefore issuing them in free circulation as well as vending is considered criminal offense,
6. Exclusively, the products which are exported may be marked with a label required from the imported country that can be testified with the evidence on receiving the fiscal banderols or the other respective document.
7. Tobacco products, when transported through the customs territory in Kosovo, must be followed by determinate customs documents or other documents by which is seen that those products are meant for export with documents on supply.

**Article 15**  
**Supply with Fiscal Banderols**

1. The excise taxpayers are obliged to apply for fiscal banderols in Customs.

2. Importers, besides the request for printing the fiscal banderols must submit a copy of the payment order of the printing price or documents to ensure payment of expenses for printing the fiscal stamps.
3. The unauthorized processing of fiscal banderols, their unauthorized printing and distribution are deemed as criminal offence.
4. Reception of fiscal banderols ordered from the printing house as well as delivery to the Excise Taxpayers is done by authorized customs officials.

### **Article 16**

#### **Evidence on Data, Billing and Reporting**

1. The excise taxpayers that produce, export, import or sell the tobacco products are obliged to keep daily notes on their production, circulation and stocks.
2. The excise taxpayers for every realized circulation of tobacco products must issue an invoice for the buyer on type, quantity, price per unit and the total value of these products.
3. On account of tobacco products meant for export, the excise taxpayers must specify the number and date of authorization for export.
4. Tobacco products producers are obliged to submit to Customs an annual report about stocks, supplies, consume and tobacco sale, as well as monthly and annual reports for production, sale and stocks condition for each tobacco product.
5. The importers are obliged to submit to Customs the monthly and annual reports on tobacco products importation, stocks in customs warehouses, sale at free shops, supply warehouses, free zones as well as vending inside the country.
6. Reports from paragraph 4. and 5. of this Article must be submitted until the date 15<sup>th</sup> of the month for the previous month, whereas the annual report until 31<sup>st</sup> of January for the previous year.
7. To the annual report according to paragraph 6. of this Article must be attached also the determined list of stocks registration of tobacco products with their condition until 31<sup>st</sup> of December.
8. The excise taxpayers are obliged until the end of the month for the previous month to submit to Customs the report on exportation testified by export documents, by which is seen in which customs passage have passed the border respectively have left the Kosovo customs territory.

**Article 17**  
**Fiscal Banderols and Report**

For printing, following the evidences and using the fiscal banderols as well as shape and content of the report from Article 16 of this Law, Ministry of Finances promulgates sub-legal acts.

**Article 18**  
**Excise Tax Return**

1. Excise tax will be returned for tobacco products when:
  - 1.1. are eliminated under custom observance;
  - 1.2. are exported and
  - 1.3. when are used only for research purposes or for experiments.

**Article 19**  
**Supervision and Control**

1. Importation, Produce and distribution of tobacco products, is supervised and controlled by Kosovo Republic Custom in accordance with provisions of Custom and Excise Code.
2. Kosovo Customs has competencies to apply needed measurements, in order to provide the application of this law, for goods subject to custom's control, including, but un limiting the examination of goods, documentation verification, the control of accounts and control of records of other business activities, control of objects and other locations, as well as control of transport of people and goods, together with other goods conveyed with them, with or without people.
3. Competencies for seizure of tobacco products have the custom officers. Tax officers, Police and any other authority if they come across any tobacco product without banderols or are suspected that are in free circulation in contradiction with lay shall inform Kosovo Custom.

**Article 20**  
**Punitive Provisions**

1. Each person who, in contradiction with this law sell or offer for selling, expose or in another form deals with product without banderols with or without the consent of custom, will be a subject to conviction with the fine to five (5) times of the non evidenced excise amount or unpaid one and seizure of products.



2. Each person who, in contradiction with this law import or export, possess or transport tobacco products without banderols or without the consent of Custom will be subject to the conviction with the fine to seven (7) times of the non evidenced excise amount or unpaid one and seizure of products

### **Article 21 Violation Procedures**

Violation Procedures will be lead by Kosovo Custom in accordance with provisions of Custom and Excise Code.

### **Article 22 Plaintive Procedures**

1. Discontented person with decision of Custom for done evaluation, seizure or imposed conviction, may exercise a request for review of decision in Kosovo Custom.
2. Request for review shall be done within the deadline of thirty (30) days since the day when the complainer is informed for decision.
3. Complainer request for reviewing of decision from Kosovo Custom committed in agreement with this Article does not annul the obligation of the person to pay the evaluated excise.
4. Seized assets from Kosovo Custom in accordance with its competencies for obliged recovery, cannot be sold or alienated within the period of thirty (30) days after the seizure, or during each procedure of reviewing foreseen with this Article.
5. In case if one issue is solved finally in the favour of claimer, Kosovo Custom will bring back any amount of paid excise, together with accumulated interests until the issue is solved. If the issued is finally solved in the favour of Kosovo Custom, complainer shall pay unpaid tax and accumulated interest until the moment when the issue is solved.

### **Article 23 Transitional Provisions**

1. On the day of beginning the Law for Excise on Tobacco products, excise taxpayers and mediatory in the purchasing of tobacco products are obliged to commit the registration of stocks of cigars and other tobacco products and over this state to compile record according to the kinds, amounts and prices of cigars and other tobacco products.
2. The registration of stocks from paragraph 1 of this Article shall be done also in duty free shops, warehouses and free zones.

3. Records from the paragraph 1 and 2 of this Article shall be delivered to the Kosovo Custom within the deadline determined by Custom.

**Article 24**  
**Abrogative Provisions**

On the date of entrance of the present Law into force, UNMIK regulation 2003/23 and sub-legal acts in its application will be abrogated.

**Article 25**  
**Entry into Force**

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

**Law No. 04/L-021**  
**14 October 2011**

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

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**Jakup KRASNIQI**