



Ministria e Tregtisë dhe Industrisë
Ministarstvo Trgovine i Industrije
Ministry of Trade and Industry



AGJENCIONI I REGJISTRIMIT TË BISNESEVE NË KOSOVË
KOSOVSKA AGENCIJA ZA REGISTRACIJE BIZNISA
KOSOVA BUSINESS REGISTRATION AGENCY

**BASIC PERFORMANCE INDICATORS REPORT ON
BUSINESS REGISTRATION IN KOSOVO FOR THE PERIOD:
APRIL – JUNE 2017**

KOSOVO BUSINESS REGISTRATION AGENCY

AUGUST 2017

CONTENTS

| | |
|---|----|
| I. INTRODUCTION..... | 3 |
| II. AVERAGE DAYS TO REGISTER A BUSINESS..... | 4 |
| III. AVERAGE DAYS TO REGISTER AN LLC..... | 5 |
| IV. BUSINESS REGISTRATION TIME BY REGISTRATION CENTER..... | 6 |
| V. REGISTRATION AND DEREGISTRATION BY LEGAL FORM OF BUSINESS ORGANIZATION..... | 7 |
| VI. REGISTRATION OF BRANCHES OF FOREIGN COMPANIES BY COUNTRY OF ORIGIN..... | 7 |
| VII. NUMBER OF BUSINESS ORGANIZATIONS INCLUDING AT LEAST ONE FOREIGN OWNER, PARTNER OR SHAREHOLDER..... | 8 |
| VIII. REGISTRATION OF BUSINESS ORGANIZATIONS BY GENDER..... | 8 |
| IX. CONCLUSION..... | 10 |

I. INTRODUCTION

This report is a result of joint assessment conducted for the second quarter of 2017 by the Kosovo Business Registration Agency (hereinafter “KBRA”) with the support of the USAID Partnerships for Development Project (hereinafter “USAID PFD”) of several performance indicators related to the business registration process in Kosovo.

During this period, a joint team composed of KBRA officials and USAID PFD advisers analyzed a range of indicators related to the performance of KBRA, including:

- Times of business registration in general in Kosovo and for Limited Liability Companies in particular, and by municipality;
- Total number of businesses registered by legal form and by total number of businesses deregistered by the form of the business organization;
- Total number of branches of foreign companies registered by country of origin;
- Number of foreign owners, partners or shareholders included in the business organizations in Kosovo, by types of business organizations;
- Percentage of women-owned individual businesses; and
- Percentage of partners or shareholders by gender in the business organizations in Kosovo.

Data for this quarter show a decrease in the number of days for registration of business organizations.

As the business registration process enhances further, including efforts for the functionalization of full electronic registration, it is expected that the number of indicators and the quality of the data will be increased and reflected in subsequent reports.

This report analyses data extracted from the business registry of KBRA on businesses required by specific laws in Kosovo to be registered at KBRA. According to the Law on Business Organizations the process of registration of business organizations in Kosovo is a formal, administrative and informative act. Consequently, this report does not make any assumptions or provide any information on the number of business organizations which are active and operating in Kosovo, but it focuses mainly in measuring efficiency of KBRA and municipal registration centers in conducting business registration or deregistration procedures.

To obtain a clearer picture of the number, size and operational status of business organizations and other economic entities engaged in economic activity in Kosovo would require a more comprehensive effort involving other Government institutions, primarily the Tax Administration of Kosovo and the Ministry of Public Administration.

According to the Law on Business Organizations and other applicable laws, KBRA currently registers the following legal forms of business organizations: Individual Business, General Partnership, Limited Partnership, Limited Liability Companies, Joint Stock Companies, Branches of Foreign Companies and Agricultural Cooperatives.

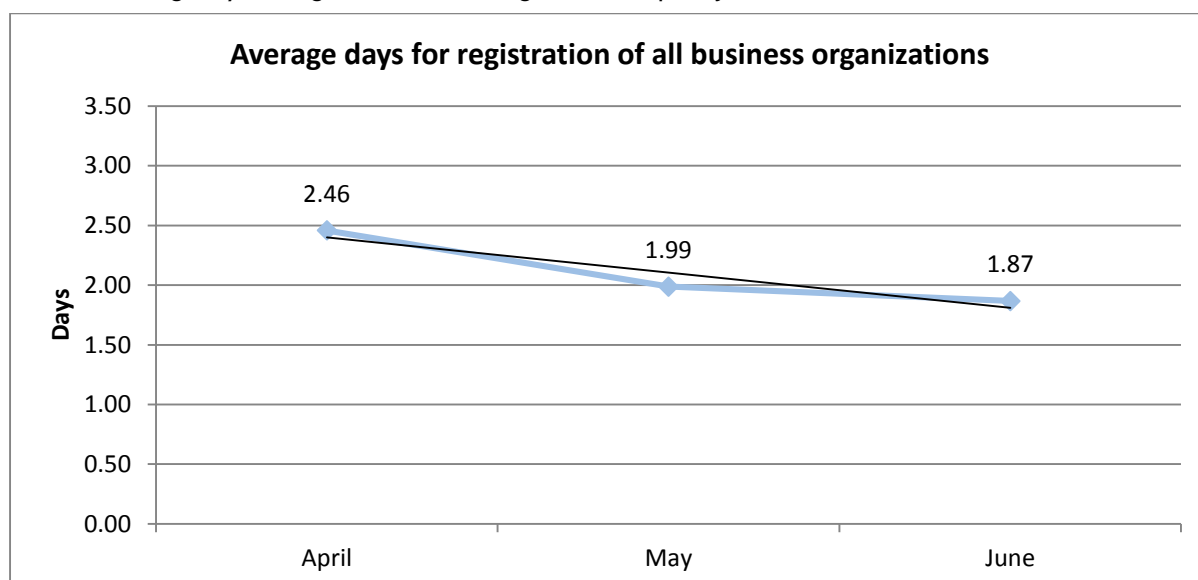
II. AVERAGE DAYS TO REGISTER A BUSINESS

Business organizations as defined in the Law on Business Organizations are required to register at KBRA central office in Pristina or in one of the 28 municipal business registration centers across Kosovo. This section of the report measures the number of days needed to register a business organization.

Chart I presents a total average based on registration of all legal forms of business organizations despite large variances in the time required for the registration of the various types, e.g. the time required to register an Individual Business is considerably shorter than the time required to register a Joint Stock Company.

As can be seen in Chart I below, for the second quarter of 2017, the average number of days to register a business organization decreased from 2.46 to 1.87 days, representing an improvement of 24%. The cumulative average of days for this quarter is 2.14 days.

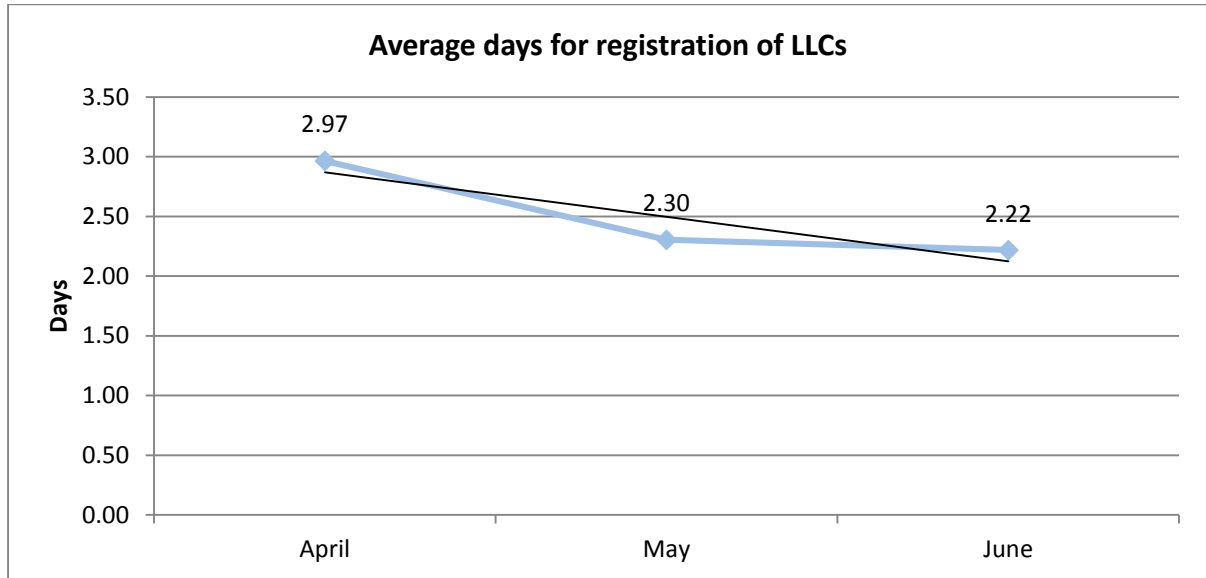
Chart I: Average days to register a business organization, April - June 2017:



III. AVERAGE DAYS TO REGISTER AN LLC

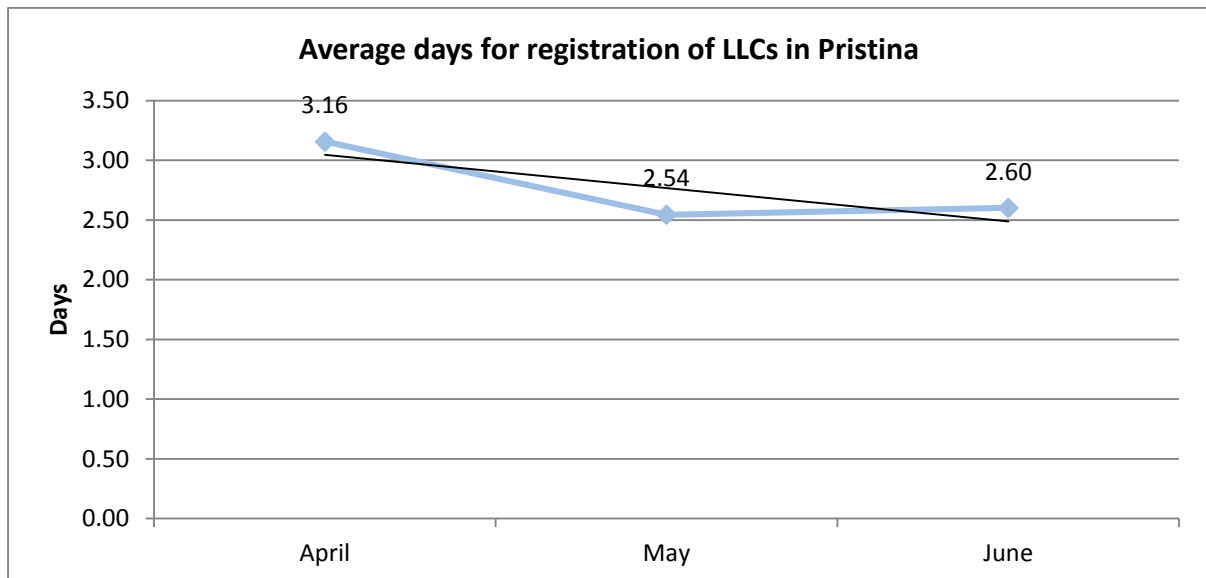
As the most common corporate form, this section of the report analyzes the time required to register a Limited Liability Company (LLC). Chart 2 below shows that the average number of days to register an LLC in the second quarter of 2017 decreased from 2.97 to 2.22 days, representing an improvement of 25.25%. The cumulative average of days for this quarter is 2.51 days.

Chart 2: Average days to register an LLC, April - June 2017:



Furthermore, Chart 3 below shows the average days to register an LLC at the KBRA Business Registration Center in Pristina. As can be seen in Chart 3, for the second quarter of 2017, the average number of days to register an LLC in Pristina decreased from 3.16 to 2.60 days, representing an improvement of 17.72%. The cumulative average of days for this quarter is 2.77 days.

Chart 3: Average days to register an LLC at the business registration center in Pristina, April - June 2017:



IV. BUSINESS REGISTRATION TIME BY REGISTRATION CENTER

Table I below shows the average number of days needed to register a business organization by municipal business registration center during the period April 1 - June 30, 2017. The table displayed below includes 28 municipal business registration centers and KBRA central office which also covers Pristina and Obiliq/Obilič municipalities.

The separation by registration centers in the table below is created based on the data of the registered address of business organizations. For example, if a business organization has a registered address in Gjilan/Gnjilane, it is assumed that the business organization registered at the registration center in Gjilan/Gnjilane, even though it is possible that this business organization had registered at the main KBRA registration center in Pristina. This is because KBRA currently has a unified system of registering business organizations which includes data for business organizations registered in the entire territory of Kosovo and not by registration center.

Table I: Average days to register a business organization by Business Registration Center, April - June 2017:

| Registration Center | April | May | June | Average |
|---------------------------|-------------|-------------|-------------|-------------|
| Deçan/Deçane | 2.40 | 1.50 | 1.00 | 1.95 |
| Dragash/š | 1.67 | 1.67 | 1.00 | 1.63 |
| Ferizaj/Uroševac | 2.29 | 1.36 | 1.35 | 1.80 |
| Fushë Kosovë/Kosovo Polje | 2.94 | 2.63 | 1.83 | 2.55 |
| Gjakovë/Đjakovica | 2.12 | 1.49 | 1.67 | 1.79 |
| Gjilan/Gnjilane | 2.51 | 1.66 | 1.68 | 2.02 |
| Gllgoc/Glogovac | 2.93 | 1.79 | 1.38 | 2.02 |
| Gračanicë/Gračanica | 3.20 | 3.09 | 1.83 | 2.85 |
| Hani i Elezit/Elez Han | 3.00 | | 2.00 | 2.33 |
| Istog/k | 2.14 | 1.24 | 1.63 | 1.64 |
| Kaçanik/Kaçanik | 3.22 | 4.44 | 1.83 | 3.33 |
| Kamenicë/a | 3.14 | 2.44 | 4.33 | 3.18 |
| Klinë/a | 1.29 | 1.45 | 1.67 | 1.46 |
| Lipjan/Lipljan | 3.59 | 1.50 | 2.38 | 2.47 |
| Malishevë/Mališevo | 1.86 | 2.00 | 1.57 | 1.85 |
| Mitrovicë/a | 2.22 | 1.55 | 1.67 | 1.88 |
| North Mitrovica | 1.80 | 1.92 | 2.36 | 2.06 |
| Novobërdë/Novo Brdo | 1.00 | 1.20 | 1.50 | 1.25 |
| Pejë/Peć | 1.80 | 1.75 | 1.25 | 1.65 |
| Podujevë/o | 1.79 | 1.52 | 1.36 | 1.57 |
| Pristina (KBRA) | 3.07 | 2.53 | 2.60 | 2.74 |
| Prizren | 1.88 | 1.44 | 1.30 | 1.59 |
| Rahovec/Orahovac | 1.38 | 1.40 | 1.10 | 1.32 |
| Shtërpçë/Štrpce | 1.33 | 3.00 | 1.67 | 1.71 |
| Shtime/Štimlje | 5.00 | 1.82 | 1.56 | 2.56 |
| Skenderaj/Srbica | 2.53 | 2.00 | 1.00 | 2.11 |
| Suharekë/Suva Reka | 2.11 | 1.86 | 1.35 | 1.70 |
| Viti/Vitina | 1.86 | 1.44 | 1.00 | 1.65 |
| Vushtrri/Vučitrn | 1.76 | 1.85 | 1.28 | 1.63 |
| Average | 2.46 | 1.99 | 1.87 | 2.14 |

*Red color presents a high average of days for registration of a business organization.

*Green color presents a low average of days for registration of a business organization.

V. REGISTRATION AND DEREGISTRATION BY LEGAL FORM OF BUSINESS ORGANIZATION

Table 2 below presents the number of registered and deregistered business organizations by legal form of business organization and by month of registration for the period April 1 - June 30, 2017. The data shows that the most registered legal form of business organization is the Individual Business followed by the Limited Liability Company. The most deregistered legal form of business organizations for the period April - June 2017 is also Individual Business and the LLC.

Table 2: Number of business organizations registered and deregistered by legal form April - June 2017:

| Registration by legal form | Month | Individual Business | General Partnership | Limited Partnership | Limited Liability Company | Joint Stock Company | Branch of Foreign Company | Agricultural Cooperative | Total |
|-------------------------------------|--------------|---------------------|---------------------|---------------------|---------------------------|---------------------|---------------------------|--------------------------|--------------|
| Business Organizations registered | April | 458 | 4 | - | 406 | 3 | 5 | | 876 |
| | May | 353 | 4 | - | 433 | 1 | 3 | 1 | 795 |
| | June | 279 | 2 | - | 311 | 1 | 2 | | 595 |
| | Total | 1,090 | 10 | 0 | 1,150 | 5 | 10 | 1 | 2,266 |
| Business Organizations deregistered | April | 107 | 3 | - | 11 | 1 | | - | 122 |
| | May | 160 | 3 | - | 4 | | 1 | - | 168 |
| | June | 138 | 2 | - | 10 | 1 | 3 | - | 154 |
| | Total | 405 | 8 | 0 | 25 | 2 | 4 | 0 | 444 |

VI. REGISTRATION OF BRANCHES OF FOREIGN COMPANIES BY COUNTRY OF ORIGIN

Based on the Law on Business Organizations, a foreign company is defined as any business organization that has been duly established and is currently validly existing under the law of a jurisdiction outside Kosovo and which may engage in business activities in Kosovo through the registration of a branch in Kosovo at KBRA. Table 3 below shows the total number of branches of foreign companies registered in Kosovo pursuant to the Law on Business Organizations, for the period April - June 2017.

Table 3: Branches of foreign companies registered in Kosovo by country of origin, April - June 2017:

| Country of origin of foreign companies | Branches of foreign companies |
|--|-------------------------------|
| Croatia | 1 |
| Czech Republic | 1 |
| Germany | 1 |
| Italy | 1 |
| Macedonia | 3 |
| Albania | 2 |
| Switzerland | 1 |
| Total | 10 |

VII. NUMBER OF BUSINESS ORGANIZATIONS INCLUDING AT LEAST ONE FOREIGN OWNER, PARTNER OR SHAREHOLDER

The data in Table 4 present the number business organizations which include at least one foreign owner, partner or shareholder. During the period April - June 2017, a total of 2,266 business organizations were registered, from which 188 have had a one foreign natural or legal person as owner, partner or shareholder. This number does not include branches of foreign companies, which are presented in Table 3.

Table 4: Number of business organizations including at least one foreign owner, partner or shareholder, April - June 2017:

| Month | Individual Business | General Partnership | Limited Partnership | Limited Liability Company | Joint Stock Company | Agricultural Cooperative | Total |
|--------------|---------------------|---------------------|---------------------|---------------------------|---------------------|--------------------------|------------|
| April | 13 | 2 | - | 44 | - | - | 59 |
| May | 15 | | - | 55 | - | - | 70 |
| June | 10 | 2 | - | 47 | - | - | 59 |
| Total | 38 | 4 | 0 | 146 | 0 | 0 | 188 |

*The data presented in the table does not include the percentage of capital of foreign persons. The purpose of this table is to present the participation of foreign persons as owners, partners or shareholders in business organizations in Kosovo.

*This table does not include the number of "Branches of Foreign Companies" which is presented in Table 3.

From 2,266 business organizations registered during this period in Kosovo, the total number of foreign persons as owners, partners or shareholders is 264. As shown in Table 5, the most registered legal form of business organization among foreign persons is the Individual Business and the Limited Liability Company. Also, in Table 3, you can see the total number of branches of foreign companies registered during this period, which is 10.

VIII. REGISTRATION OF BUSINESS ORGANIZATIONS BY GENDER

The data in Chart 4 and 5 present the gender participation in business organizations registered during the period April 1 - June 30, 2017. Due to the nature of different legal forms of business organizations, the data below is presented separately for Individual Businesses, which are sole proprietorships and are usually small businesses, and separately for other legal forms of business organizations where owners participate as partners or shareholders in larger or more diverse business organizations.

As the most common form of business organization in Kosovo, Chart 4 below measures the percentage of female and male owners in Individual Businesses. Although women’s participation in registering Individual Businesses is still relatively low, the data show an increasing trend of their participation.

Chart 4: Percentage of Individual Businesses by Gender, April - June 2017:

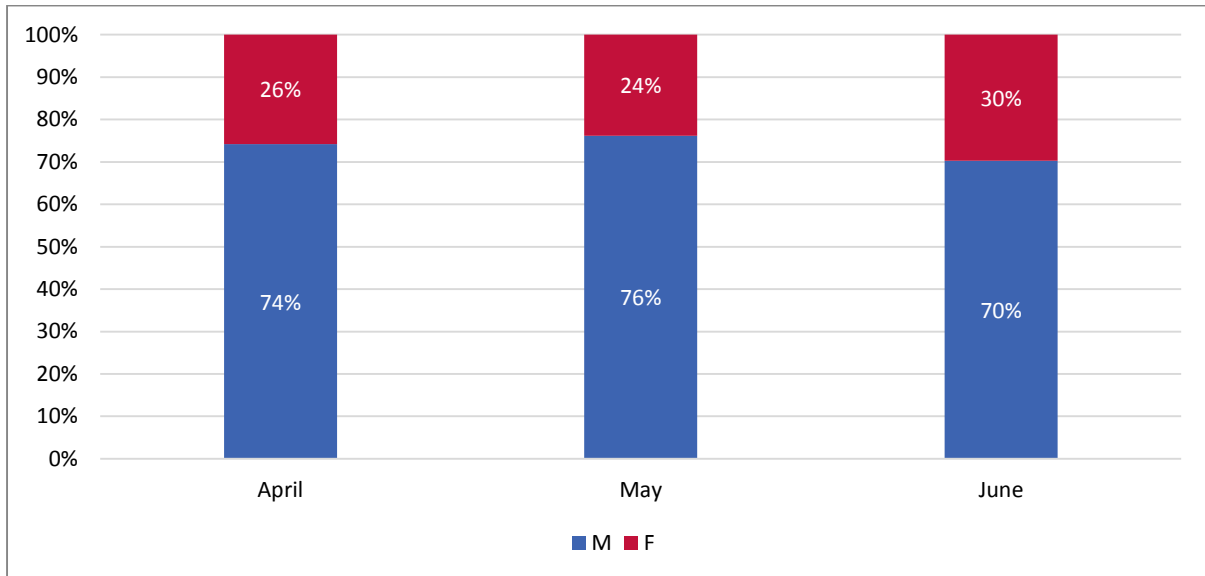
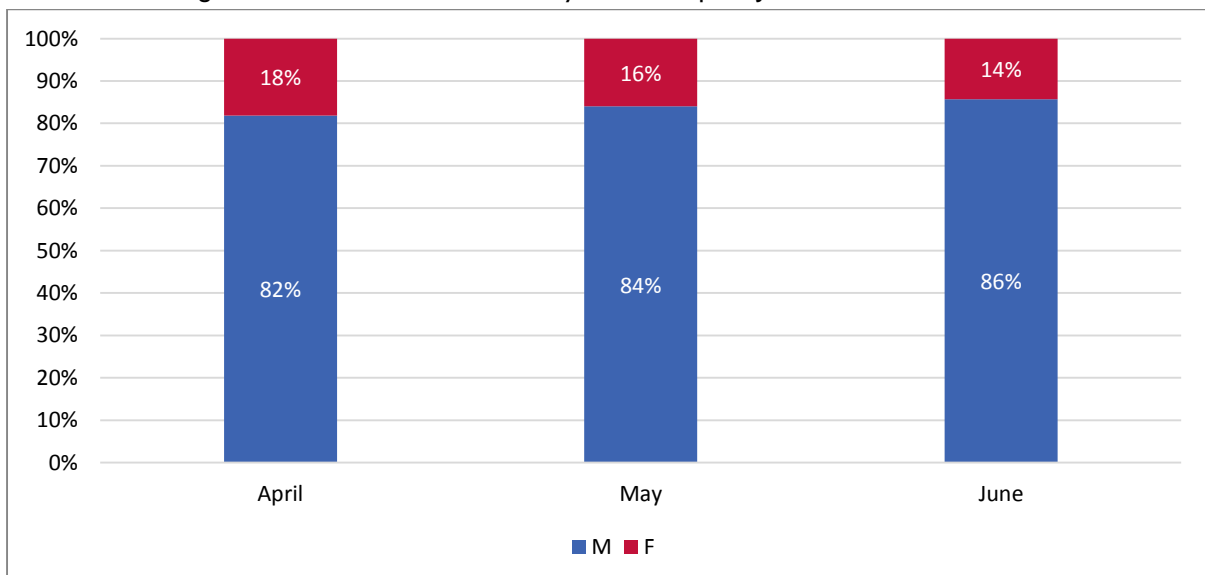


Chart 5 reflects the percentage of partners or shareholders of business organizations by gender registered during the period April - June 2017, excluding individual businesses and branches of foreign companies.

Chart 5: Percentage of Partners and Shareholders by Gender, April - June 2017:



IX. CONCLUSION

The Ministry of Trade and Industry, in order to further improve the efficiency of registration at KBRA undertook a number of actions:

- Initiated development, institutionalization, and regular use of performance metrics drawing on official registration data to monitor the time across municipal registration centers for processing of registration applications and identifying best performers and most improved ones;
- Increased focus on ensuring compliance with the Law on Business Organizations;
- Deepened coordination between the Kosovo Business Registration Agency and the Tax Administration of Kosovo to improve the process time for application registration and issuance of tax identification numbers at KBRA registration centers, including the development and execution of a formal Memorandum of Understanding between KBRA, TAK and the Ministry of Public Administration for deeper and continued cooperation, in June 2016. KBRA and TAK systems are integrated; and
- Conducted comprehensive customer service training programs with all KBRA and municipal business registration centers' staff.

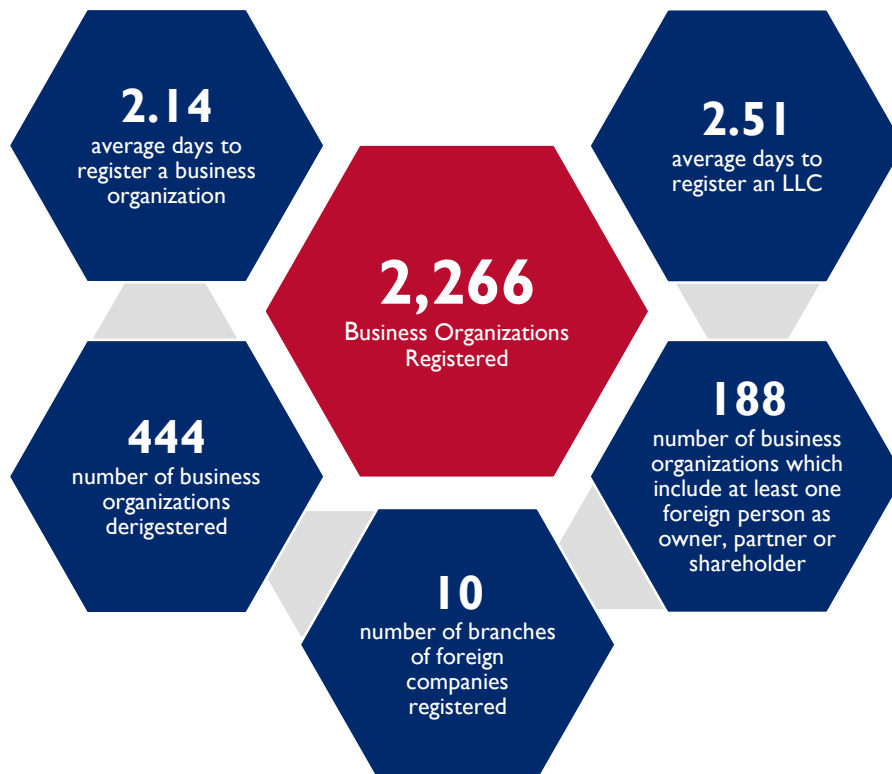
The methodology used for the development of this report is replicated by KBRA and publication of regular performance measurement reports prepared and published by the KBRA serve as informing tools for further process improvements. USAID Partnerships for Development Project will continue to support the approach until full institutionalization.

QUICK FACTS ON BUSINESS REGISTRATION IN KOSOVO

Below is a quick summary of the data presented in the “Basic Performance Indicators for Business Registration in Kosovo” Report for the April - June 2017 period.

This report and summary were prepared by the Kosovo Business Registration Agency (KBRA) and the USAID Partnerships for Development Project. The summary presents various figures, ranging from the average days for registration of a business organization to the number of business organizations including at least one foreign person as owner, partner or shareholder.

SUMMARY FOR THE PERIOD APRIL - JUNE 2017



SUMMARY FOR THE PERIOD 1999 – JUNE 2017

