



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



# **BASIC PERFORMANCE INDICATORS REPORT ON BUSINESS REGISTRATION IN KOSOVO FOR 2017**

**KOSOVO BUSINESS REGISTRATION AGENCY**

**FEBRUARY 2018**

# CONTENTS

I. INTRODUCTION.....	3
II. METHODOLOGY AND INDICATORS.....	4
III. AVERAGE DAYS TO REGISTER A BUSINESS.....	4
IV. AVERAGE DAYS TO REGISTER AN LLC.....	6
V. BUSINESS REGISTRATION TIME BY REGISTRATION CENTER.....	7
VI. REGISTRATION AND DEREGISTRATION BY LEGAL FORM OF BUSINESS ORGANIZATION.....	8
VII. REGISTRATION OF BRANCHES OF FOREIGN COMPANIES BY COUNTRY OF ORIGIN.....	9
VIII. NUMBER OF BUSINESS ORGANIZATIONS INCLUDING AT LEAST ONE FOREIGN OWNER, PARTNER OR SHAREHOLDER.....	10
IX. REGISTRATION OF BUSINESS ORGANIZATIONS BY GENDER.....	11
X. CONCLUSION.....	13

# I. INTRODUCTION

This report presents a summary of key reforms and basic performance indicators for 2017 regarding the process of business registration in Kosovo by the Kosovo Business Registration Agency (hereinafter "KBRA"). The report, as such, is prepared by KBRA, with the support of the USAID Partnerships for Development Project (hereinafter "USAID PFD").

The report contains information on a number of indicators related to the performance of KBRA, including:

- Time to register a business organization in general in Kosovo and for Limited Liabilities Companies, and by municipality;
- Number of business organizations registered and deregistered by legal form;
- Number of branches of foreign companies registered by country of origin;
- Number of businesses including at least one foreign owner, partner or shareholder, and the number of foreign persons as owners, partners or shareholders;
- Percentage of individual businesses by gender; and
- Percentage of partners or shareholders by gender in business organizations in Kosovo.

With the further advancement of the business registration process, including the efforts to functionalize 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.

During 2017, the lowest average of days for registration of business organizations was 1.65 days in January, while the highest was 2.40 days in April.

**Doing Business 2018: Kosovo among Top 10 Reformers in the World:** Since 2012, Kosovo has improved its ranking by 86 places in the World Bank Doing Business Report. The 2018 Report confirms significant progress in the improvement of the business environment, ranking Kosovo in the 40th place in the world out of a total of 190 countries. Kosovo's improved performance this year was supported by the implementation of three business regulatory reforms in the areas of: Starting a Business, Getting Credit, and Resolving Insolvency. Kosovo made starting a business easier by simplifying the process of enrollment of employees as well as by implementing processes for regular performance measurements of business registration services. Kosovo ranked among the 10 most efficient countries in the world for starting a business.

**Unique Number and Online Registration:** KBRA continued cooperation with the Tax Administration of Kosovo (TAK) and Customs in order to fully functionalize the integrated system for registration of business organizations. As a result of this cooperation, in March 2017, KBRA in cooperation with TAK implemented the unification of the business registration number with the fiscal number in a single identification number. Also in this year KBRA has taken steps to provide several services online. By the end of 2017, these services were provided to 128 business organizations.

## II. METHODOLOGY AND INDICATORS

This report analyzes data extracted from the KBRA registry of business organizations. 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.

For the purpose of this report, days have been calculated based on the measurement of work days. The comparison between the cumulative averages of days of the previous quarter (“old value”) with the cumulative averages of days of the current quarter (“new value”) is calculated using the percentage change formula<sup>1</sup>.

According to the Law on Business Organizations and other applicable laws, KBRA currently registers the following forms of commercial companies: Individual Business, General Partnership, Limited Partnership, Limited Liability Company, Joint Stock Company, Branches of Foreign Companies and Agricultural Cooperative.

## III. AVERAGE DAYS TO REGISTER A BUSINESS

Business organizations, as defined in the Law on Business Organizations are required to register at the KBRA central office in Pristina or in one of the 29 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 the total average of days, based on the registration of all legal forms of business organizations. While in recent years there has been a significant improvement in terms of reducing the time for the registration of business organizations (which includes all types of business organizations), it should be emphasized that some types of business organizations have seen much more noticeable improvements than the average presented below in the chart. For example, the time to register an Individual Business is significantly shorter than the time to register a Joint Stock Company.

---

<sup>1</sup>  $\text{New value (V2)} - \text{Old value (V1)} \div \text{Old value (V1)} \times 100\% = \text{Percentage change}$

The cumulative average of days for registration of all business organizations for 2017 was 1.96 days. The lowest average of days was in January with 1.65 days, whereas the highest in April with 2.40 days.

Chart 1: Average days to register a business organization, 2017:

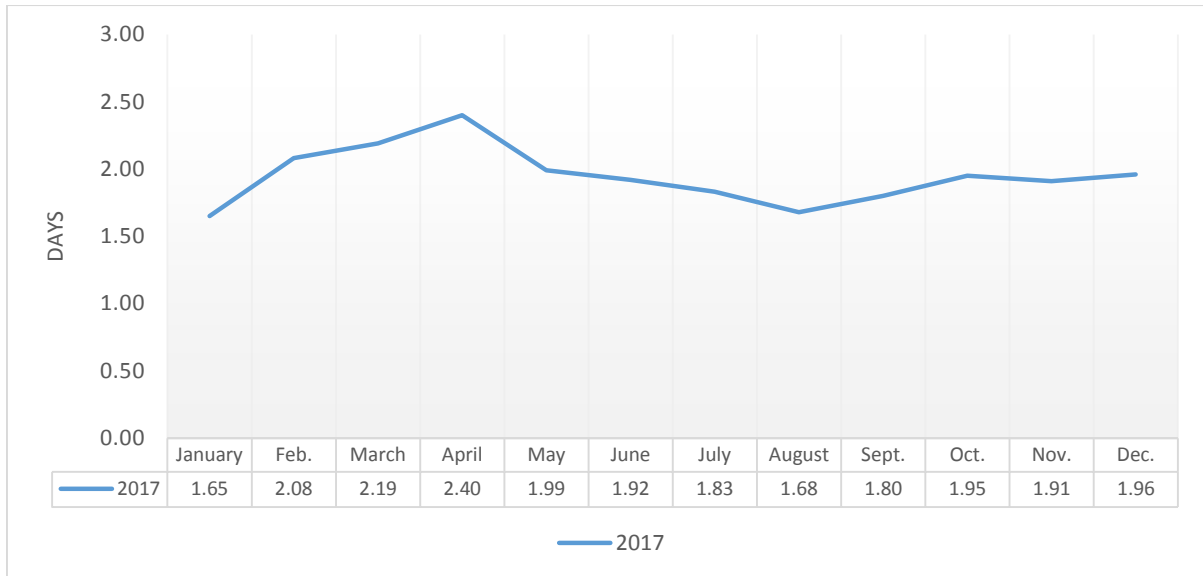
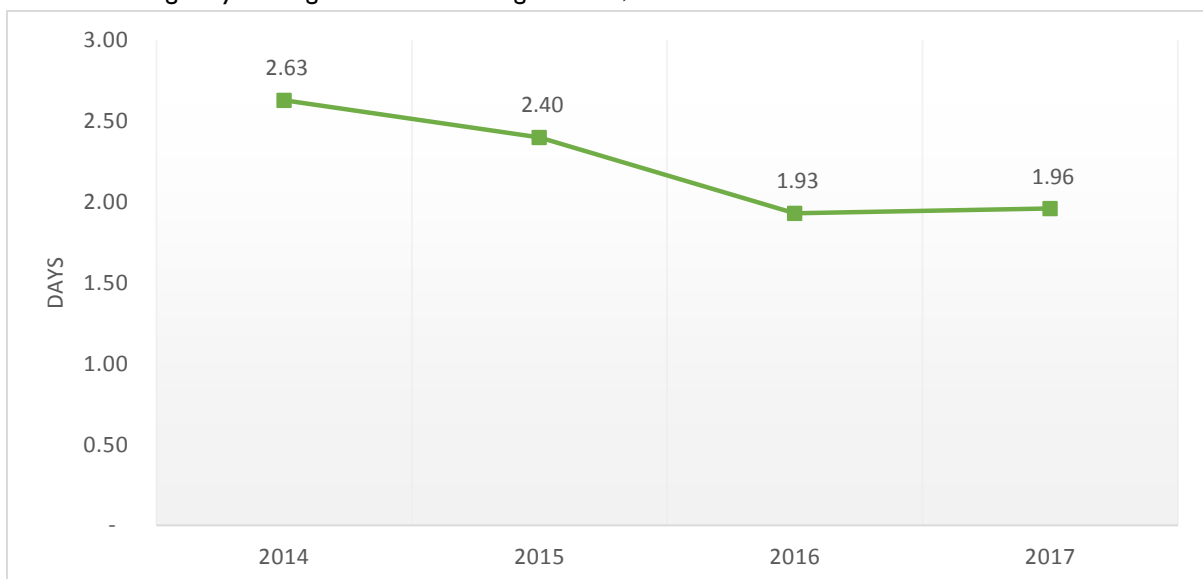


Chart 2 shows the cumulative average for 2014, 2015, 2016 and 2017. During these four years a downward trend is notable, especially in the last two years where the average has been below 2 days and the fluctuations within these two years are within the normal and expected range.

After analyzing the data, KBRA has learned that cases which take more than 30 days to register have characteristics that differentiate them from other cases. For example, one reason why a case would take more than 30 days is that the party that filed the case did not submit all the required documentation. This has caused delays in completing the case as KBRA waited for the party to submit the rest of the documents. Consequently, for more accurate reporting purposes, the calculation of the cumulative average of days excludes cases that exceed 30 days. For example, the number of such cases in 2017 is 12 out of a total of 9,335 registered business organizations.

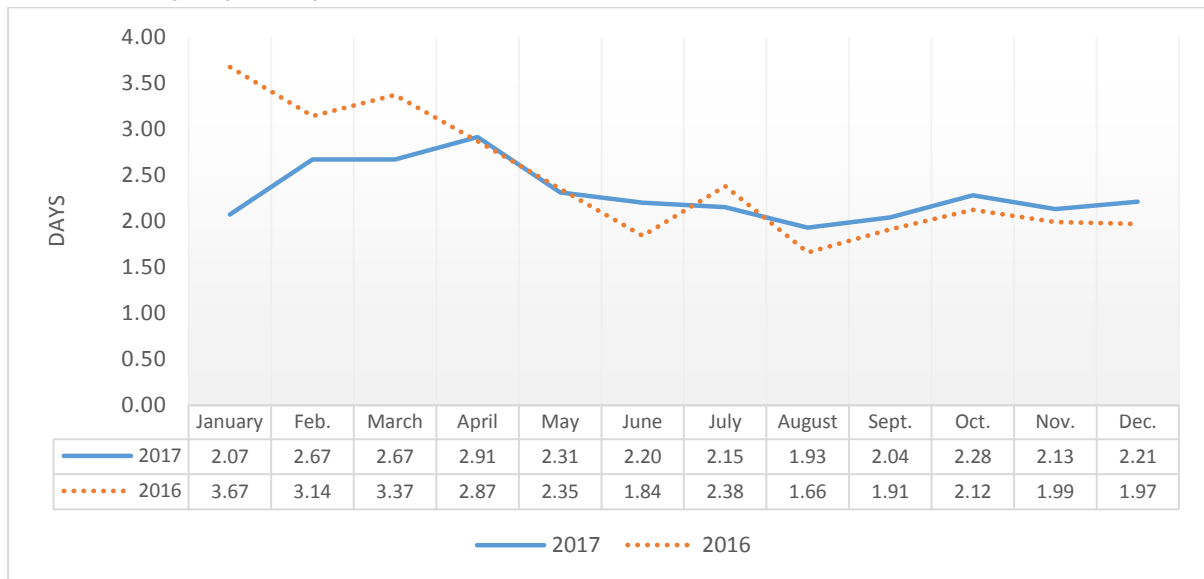
Chart 2: Average days to register a business organization, 2014 - 2017:



## IV. AVERAGE DAYS TO REGISTER AN LLC

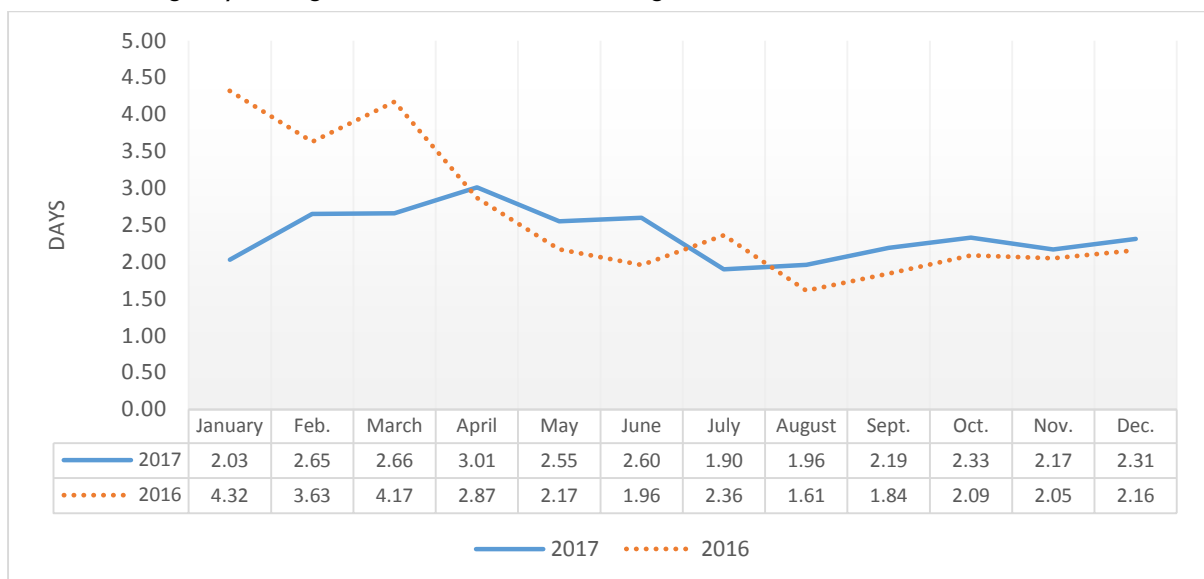
This section of the report analyzes the time for registration of a Limited Liability Company (LLC). The cumulative average of days for registration of LLCs in 2016 was 2.46 days, which when compared to 2017 when the cumulative average of days dropped to 2.32 days, represents an improvement of 5.69% for this year.

Chart 3: Average days to register an LLC, 2016 - 2017:



The cumulative average of days for registration of LLCs in Pristina in 2016 was 2.60 days, which when compared to 2017 when the cumulative average of days dropped to 2.38 days, represents an improvement of 8.46% for this year.

Chart 4: Average days to register an LLC at the business registration center in Pristina, 2016 - 2017:



## V. BUSINESS REGISTRATION TIME BY REGISTRATION CENTER

Table I below shows the average number of days to register a business organization by municipal business registration center for 2017. The table displayed below includes 29 municipal business registration centers and the KBRA central office in Pristina.

The separation by registration centers is created based on the data of registered addresses of business organizations. For example, if a business has a registered address in Gjilan/Gnjilane, it is assumed that the business registered at the registration center in Gjilan/Gnjilane, even though it is possible that this business had registered at the main KBRA registration center in Pristina. The reason for 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 municipal business registration center, 2017:

Registration Center	January	February	March	April	May	June	July	August	September	October	November	December	Avg.	No. of Cases
Shtërpçë/Štrpce	1.00		1.67	1.33	3.00	1.67	8.00	1.00		1.67	2.00	5.40	2.84	25
Hani i Elezit/Elez Han	1.50	2.00	1.75	3.00		2.00	2.00	3.33		2.50		2.00	2.14	28
Novobërdë/Novo Brdo	1.00	1.60	2.50	1.00	1.20	1.50	2.00	2.38	2.00		2.40	2.00	1.91	35
Dragash/š	1.00	2.33	1.50	1.67	1.67	1.00	1.09	1.43	1.33	1.00	1.00	2.33	1.46	57
Obiliq/ć	1.12	2.22	2.15	2.80	2.00	1.33	2.00	8.25	1.70	2.43	1.67	1.14	2.09	87
Shtime/Štimlje	2.00	2.50	2.81	5.00	1.82	1.56	1.60	3.75	1.33	2.33	1.80	1.40	2.41	96
Kaçanik/Kaçanik	1.29	1.79	1.96	3.40	4.44	6.63	2.00	1.40	2.43	5.83	6.00	1.83	3.01	101
Gračanicë/Gračanica	1.27	3.00	3.00	3.17	3.09	1.83	3.29	2.88	1.43	3.57	2.33	3.60	2.73	108
Deçan/Deçane	6.80	1.80	2.35	2.40	1.50	1.00	2.58	1.64	1.57	1.60	1.44	1.50	2.29	117
Klinë/a	1.57	1.82	1.63	1.29	1.45	1.67	1.29	1.11	1.20	1.56	1.13	1.00	1.47	123
Malishevë/Mališevo	2.00	1.33	1.62	1.86	2.00	1.57	2.00	2.39	1.60	1.75	2.00	4.22	2.06	124
Kamenicë/a	2.30	1.33	2.00	3.14	2.44	4.33	3.50	1.62	1.70	1.57	2.40	1.58	2.12	129
Rahovec/Orahovac	1.10	1.77	3.93	1.38	1.40	1.10	1.15	1.80	4.67	3.00	2.00	2.75	2.00	145
Skenderaj/Srbica	1.21	2.47	2.13	2.53	2.00	1.00	1.56	1.06	1.75	1.30	1.86	1.75	1.75	151
Viti/Vitina	1.47	1.50	2.52	1.86	1.40	1.00	1.50	1.54	1.29	1.73	1.78	1.77	1.73	165
Suharekë/Suva Reka	1.64	2.64	2.22	2.11	1.86	1.35	2.17	3.50	2.00	2.25	1.75	1.77	2.08	179
Istog/k	2.79	1.45	1.93	2.14	1.24	1.63	1.43	1.21	1.00	1.60	1.43	1.86	1.64	189
Gllgoc/Glogovac	1.17	2.00	1.91	2.93	1.79	1.38	1.61	1.31	2.14	1.71	1.58	2.14	1.79	200
North Mitrovica	1.52	1.78	1.89	2.04	1.81	2.06	1.51	1.24	1.06	1.13	1.33	1.96	1.57	205
Lipjan/Lipljan	1.13	1.68	1.81	2.27	1.60	2.38	1.53	1.68	1.25	1.63	2.44	2.11	1.79	220
Vushtrri/Vučitrn	1.25	2.07	2.04	1.76	1.85	1.28	2.59	1.65	2.40	1.42	2.11	1.30	1.86	231
Podujevë/o	1.21	1.64	2.13	1.79	1.52	1.36	1.91	1.54	1.40	1.53	1.42	1.18	1.58	269
Fushë Kosovë/Kosovo Polje	1.70	2.69	3.79	2.94	2.59	1.79	2.12	1.61	2.05	2.28	2.10	1.82	2.32	332
Gjakovë/Đjakovica	1.27	2.17	1.75	2.12	1.49	1.67	1.24	1.25	2.29	1.53	1.33	1.80	1.71	343
Mitrovicë/a	1.46	1.86	2.13	2.22	1.55	1.67	1.83	1.15	1.04	1.48	1.61	1.52	1.65	377
Gjilan/Gnjilane	1.45	1.95	1.84	2.51	1.68	1.68	1.91	2.05	1.77	2.42	2.44	1.76	1.96	519
Pejë/Peć	1.91	1.48	1.64	1.80	1.75	1.25	1.57	1.51	1.54	1.89	1.91	1.45	1.66	545
Prizren	1.16	1.61	1.86	1.93	1.44	1.30	1.73	1.13	1.22	1.23	1.24	1.40	1.47	731
Ferizaj/Uroševac	1.55	1.77	1.83	2.25	1.36	1.35	1.80	1.53	1.37	1.68	1.73	2.00	1.72	778
Pristina	1.93	2.62	2.60	2.96	2.54	2.60	1.83	1.92	2.04	2.22	2.09	2.22	2.31	2,726
<b>Average</b>	<b>1.65</b>	<b>2.08</b>	<b>2.19</b>	<b>2.40</b>	<b>1.99</b>	<b>1.92</b>	<b>1.83</b>	<b>1.68</b>	<b>1.80</b>	<b>1.95</b>	<b>1.91</b>	<b>1.96</b>	<b>1.96</b>	<b>9,335</b>

\*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.

## VI. 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 organizations and by month of registration for 2017. The table shows that the most registered legal form of business organization in 2017 was the Limited Liability Company, followed by the Individual Business. With regards to the most deregistered business organization, it is the Individual Business that leads.

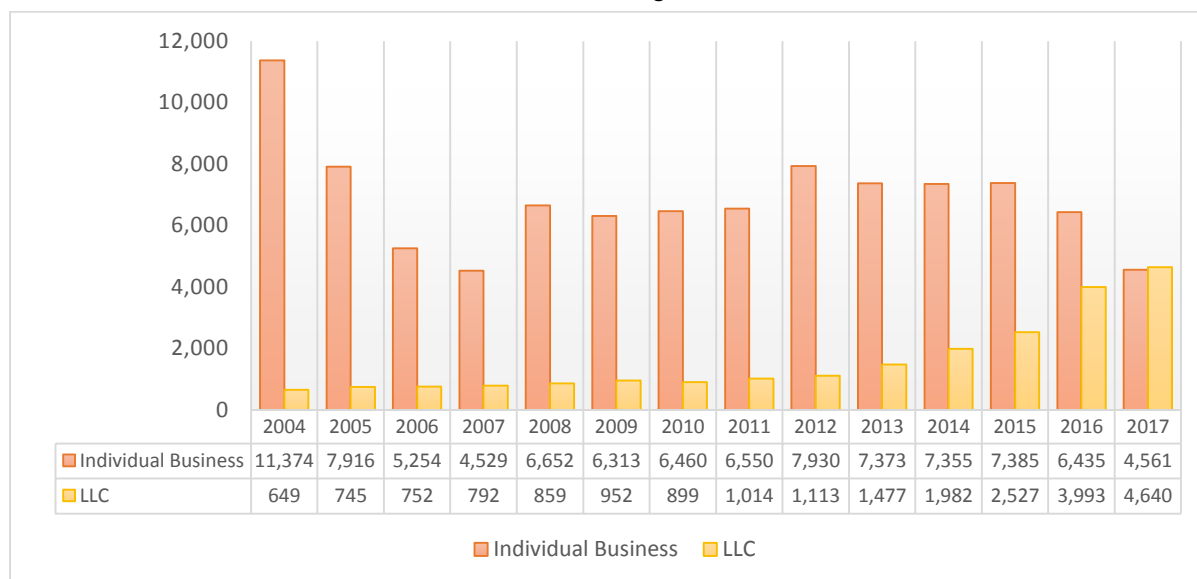
Table 2: Number of business organizations registered and deregistered by legal form, 2017:

	Month	Individual Business	General Partnership	Limited Partnership	Limited Liability Company	Joint Stock Company	Branch of Foreign Company	Agricultural Cooperative	Total
Business Organizations Registered	January	490	2	-	342	2	3	1	840
	February	445	6	-	387	3	3	15	859
	March	592		-	553	4	5	15	1,169
	April	459	4	-	411	3	5		882
	May	353	4	-	432	2	3	1	795
	June	281	2	-	312	1	2		598
	July	365	1	-	362	2	5	1	736
	August	421	1	-	406	2	2		832
	September	322		-	345	1	5		673
	October	345	1	-	355	4	3	1	709
	November	248	2	-	376	1	6	1	634
	December	240	3	-	359	1	4	1	608
	<b>Total</b>	<b>4,561</b>	<b>26</b>	<b>0</b>	<b>4,640</b>	<b>26</b>	<b>46</b>	<b>36</b>	<b>9,335</b>
Business Organizations Deregistered	January	107	1	-	5		1		114
	February	124		-	8				132
	March	165	4	-	13			1	183
	April	107	3	-	11	1			122
	May	160	3	-	4		1		168
	June	138	2	-	10	1	3		154
	July	73	1	-	6	1	1		82
	August	94	4	-	13				111
	September	100		-	6				106
	October	123	1	-	5		1		130
	November	122	5	-	20		2		149
	December	127		-	10		1		138
	<b>Total</b>	<b>1,440</b>	<b>24</b>	<b>0</b>	<b>111</b>	<b>3</b>	<b>10</b>	<b>1</b>	<b>1,589</b>



While during the period before 2017 (2004 - 2016) the most registered form was the Individual Business, in 2017, as noted above, the highest increase was in the registration of LLCs – this as a result of the simplification of procedures for registration and raised awareness among businesses.

Chart 5: Total number of Individual Businesses and LLCs registered in Kosovo, 2004 - 2017:



\*Calculation in this chart uses 2004 as the initial year because of data accuracy.

## VII. 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 shows the total number of branches of foreign companies registered in 2017.

Table 3: Branches of foreign companies registered in Kosovo by country of origin, 2016 - 2017:

Country of origin of foreign companies	Branches of foreign companies 2016	Branches of foreign companies 2017
Albania	12	10
Switzerland	6	7
Turkey	6	7
Croatia	6	2
Macedonia	4	6
Romania	3	
Italy	2	4
Greece	2	
Germany	1	3
USA	1	2
(other countries)	9	5
<b>Total</b>	<b>52</b>	<b>46</b>

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

The data in Table 4 present the number of business organizations which include at least one foreign owner, partner or shareholder. During 2017 a total of 9,335 business organizations were registered, from which 721 have 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, 2016 - 2017:

Year	Individual Business	General Partnership	Limited Partnership	Limited Liability Company	Joint Stock Company	Agricultural Cooperative	Total
2016	109	4	-	506	4	-	623
2017	126	14	-	574	7	-	721

\*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 number does not include branches of foreign companies, which are presented in Table 3.

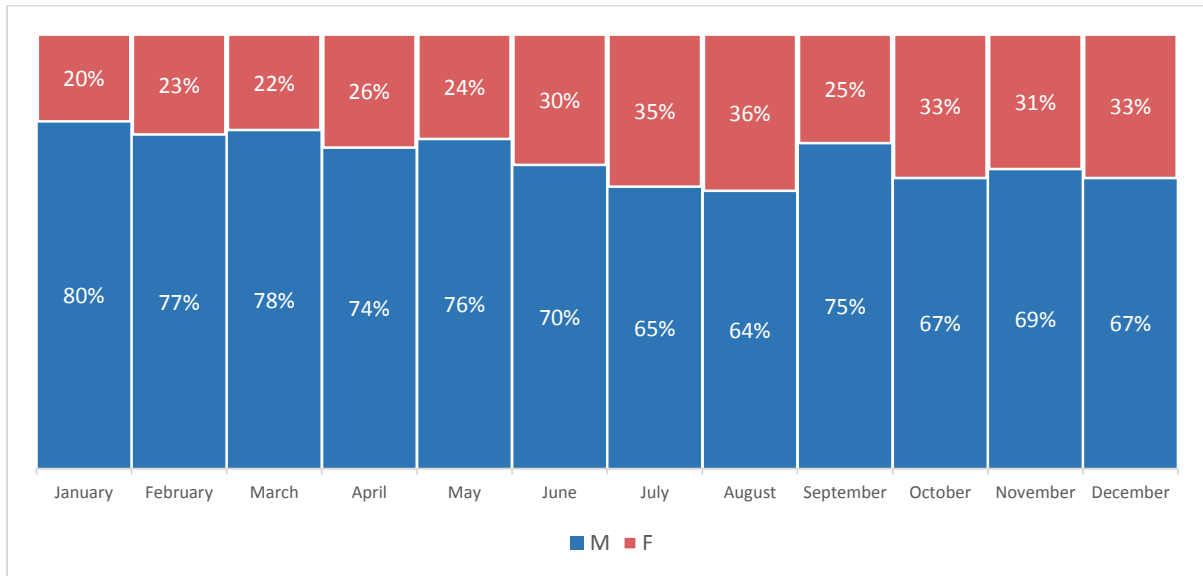
From 9,335 business organizations registered during this period in Kosovo, the total number of foreign persons as owners, partners or shareholders is 1,751 (which implies that there is more than one foreign person as owner, partner or shareholder in one business organization).

As shown in Table 4, the most registered legal form of business organization among foreign persons is the LLC.

## IX. REGISTRATION OF BUSINESS ORGANIZATIONS BY GENDER

The data in Chart 6 and 8 present the gender participation in business organizations registered during 2017. Due to the nature of different legal forms of business organizations, the data below are 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.

Chart 6: Percentage of individual businesses by gender, 2017:



Although women's participation as owners of individual businesses is still relatively low, the data show an increasing trend of their participation, especially this year when the annual average has increased from 25% in 2016 to 28% in 2017.

Chart 7: Annual cumulative average of the percentage of individual businesses by gender, 2016 - 2017:

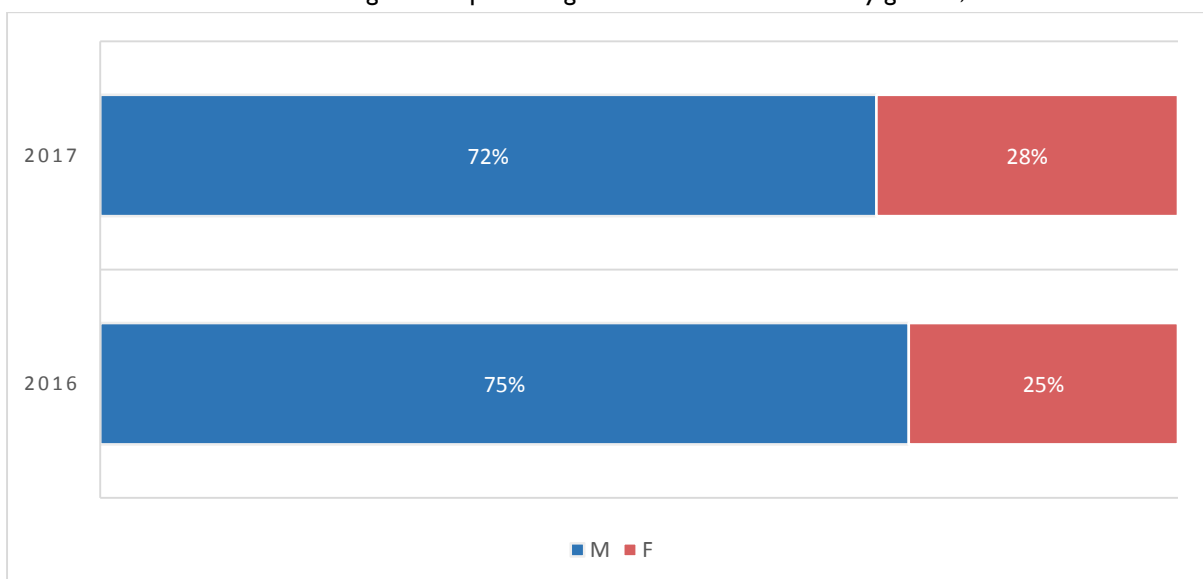
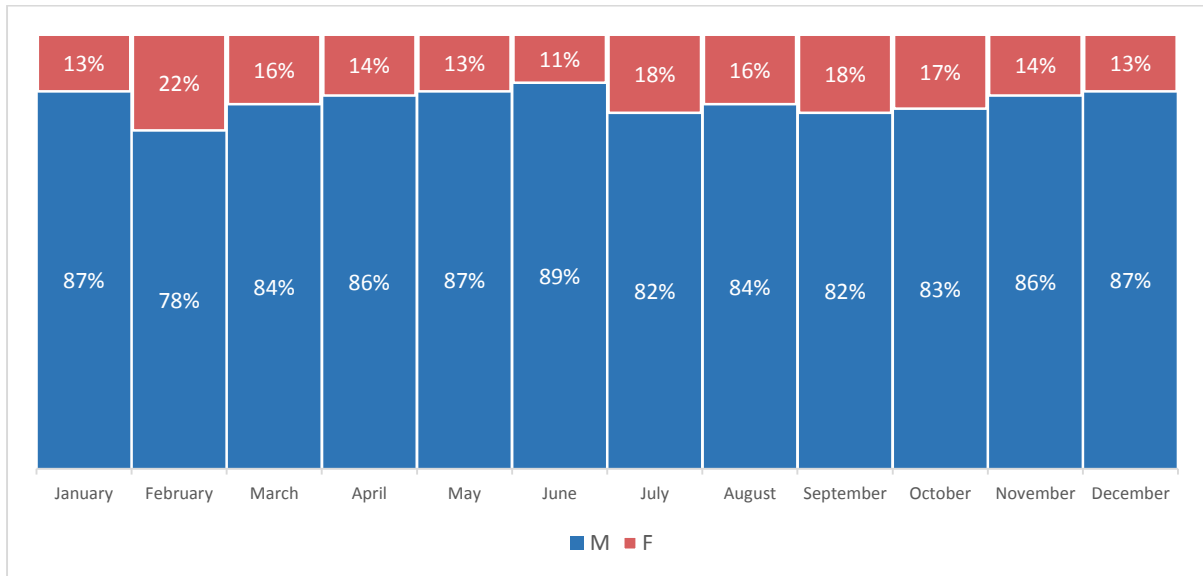


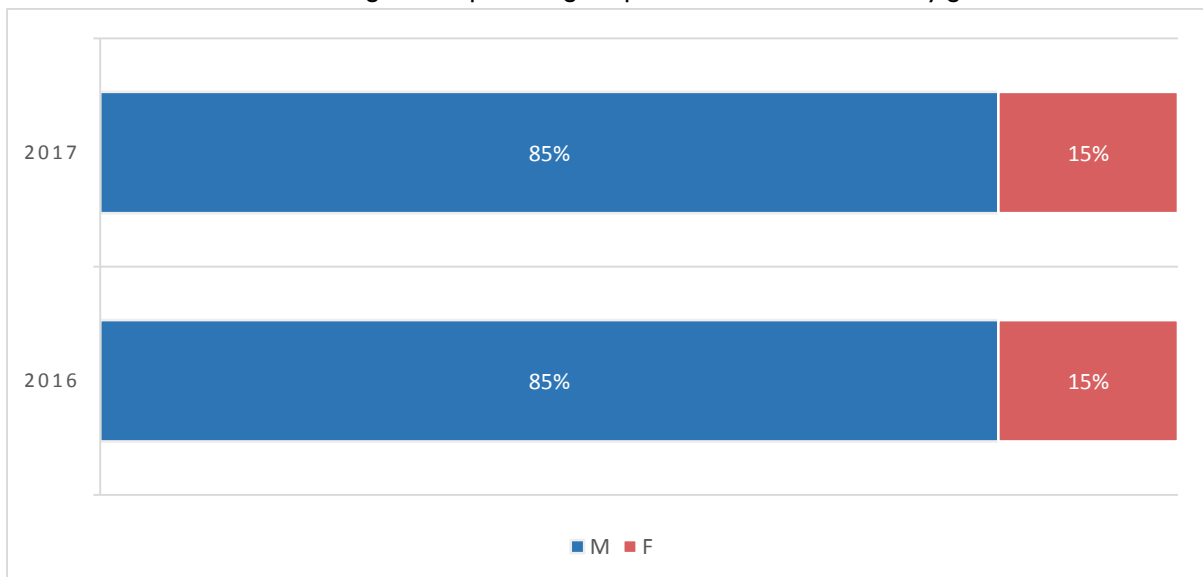
Chart 8 shows the percentage of partners or shareholders of business organizations by gender registered during 2017, excluding individual businesses and branches of foreign companies.

Chart 8: Percentage of partners and shareholders by gender, 2017:



Women's participation as partners or shareholders is still relatively low. If we compare 2016 to 2017, we can see that the annual average has remained unchanged in the last two years.

Chart 9: Annual cumulative average of the percentage of partners and shareholders by gender, 2016 - 2017



## X. CONCLUSION

Taken as a whole, the report reflects the performance of KBRA and registration centers in Kosovo, in the context of the average time for registering a business organization. From these data, it can be seen that the good trend of performance continued even in 2017. In addition, there were encouraging trends in terms of gender-related business registration data, foreign investors, etc.

The Ministry of Trade and Industry, in order to further improve the efficiency of registration at KBRA, undertook these 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 which is currently in the process of editing and amending;

The publication of regular performance measurement reports prepared and published by the KBRA serve as an informative tool for further process improvements.

# QUICK FACTS RELATED TO BUSINESS REGISTRATION IN KOSOVO

Below is a quick summary of the data presented in the Basic Performance Indicators Report on Business Registration in Kosovo for 2017.

This report and summary were prepared by the Kosovo Business Registration Agency (KBRA) with the support of USAID Partnerships for Development Project.

These data present 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 2017



## SUMMARY FOR THE PERIOD 1999 – 2017

