



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: JULY – SEPTEMBER 2017

KOSOVO BUSINESS REGISTRATION AGENCY

OCTOBER 2017

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I. INTRODUCTION

This report is a result of joint assessment conducted for the third quarter of 2017 by the Kosovo Business Registration Agency (hereinafter “KBRA”) with support from 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 in comparison to the previous quarter April - June 2017.

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.

For the purpose of this report, 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 formula¹.

¹ New value (V2) - Old value (V1) ÷ Old value (V1) × 100% = Percentage change

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.

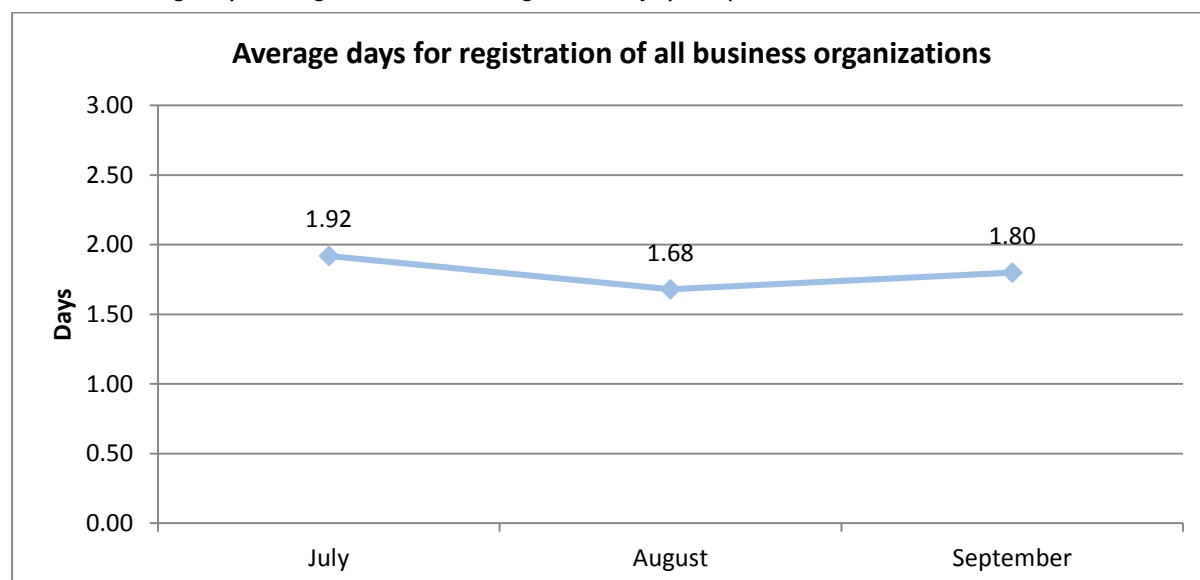
II. AVERAGE DAYS TO REGISTER A BUSINESS

Business organizations, as defined in the Law on Business Organizations are required to register at 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 registration of all legal forms of business organizations despite large variances in the time required for the registration of 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 third quarter of 2017, the average number of days to register a business organization decreased from 1.92 to 1.80 days, representing an improvement of 6.25%. The cumulative average of days in the previous quarter was 2.14 days, which when compared to the current quarter when the cumulative average of days decreased to 1.79 days, represents an improvement of 16.36%.

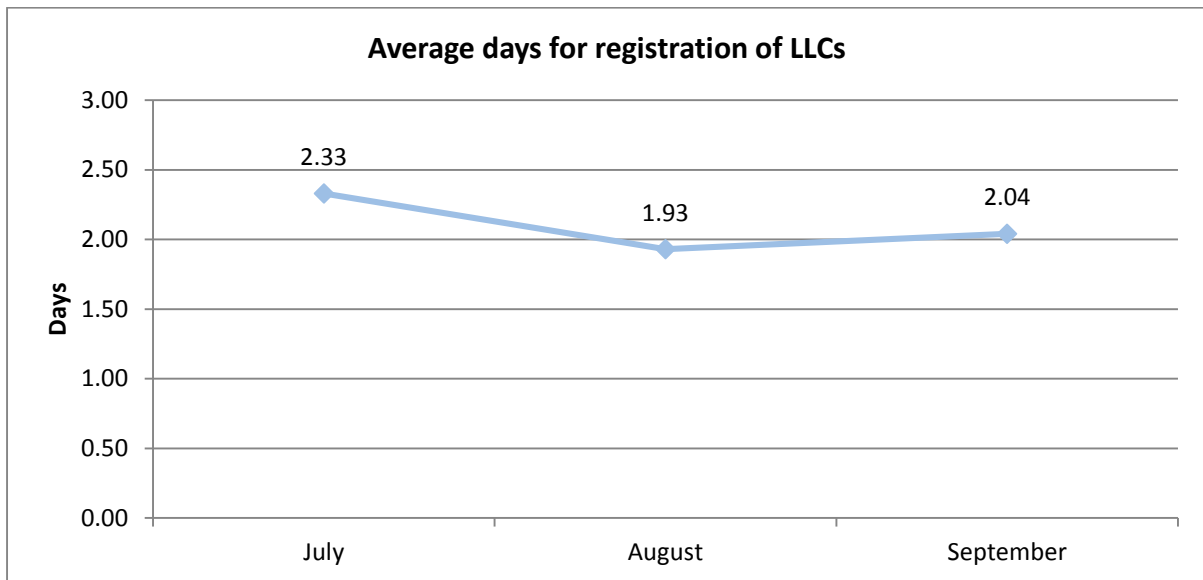
Chart I: Average days to register a business organization, July - September 2017:



III. AVERAGE DAYS TO REGISTER AN LLC

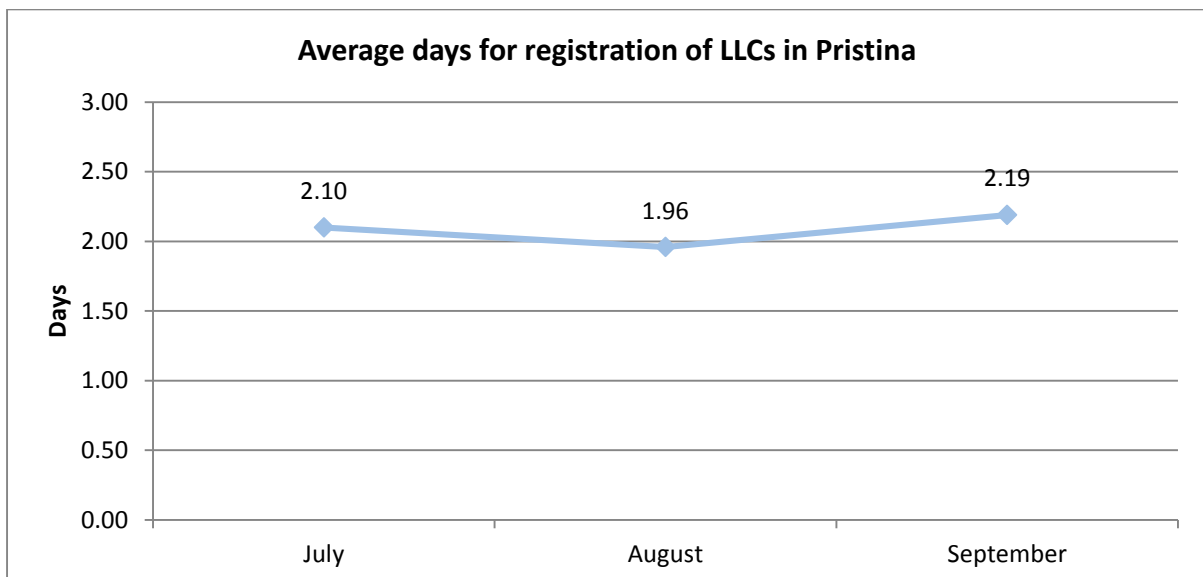
This section of the report analyzes the time required to register a Limited Liability Company (LLC). Chart 2 below shows that the average number of days to register an LLC in the third quarter of 2017 decreased from 2.33 to 2.04 days, representing an improvement of 12.45%. The cumulative average of days in the previous quarter was 2.51 days, which when compared to the current quarter when the cumulative average of days decreased to 2.10 days, represents an improvement of 16.33%.

Chart 2: Average days to register an LLC, July - September 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 third quarter of 2017, the average number of days to register an LLC in Pristina increased from 2.10 to 2.19 days, representing a slight decrease in the efficiency of registering LLCs in Pristina by 4.29%. The cumulative average of days in the previous quarter was 2.77 days, which when compared to the current quarter when the cumulative average of days decreased to 2.08 days, represents an improvement of 24.91%.

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



IV. 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. The table displayed below includes 29 municipal business registration centers and the KBRA central office in Pristina. The total number of municipal business registration centers in this report has changed from 28 to 29, as the business registration center in the Obiliq/č municipality has been added. North Mitrovica includes the municipalities of Leposaviq/č, Zubin Potok and Zveqan/Zvečan.

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. 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 MBRC, July - September 2017:

Registration Center	July	August	Sept.	Average
Deçan/Deçane	2.58	1.64	1.57	2.00
Dragash/š	1.09	1.43	1.33	1.24
Ferizaj/Uroševac	1.80	1.53	1.38	1.59
Fushë Kosovë/Kosovo Polje	2.12	1.61	2.05	1.87
Gjakovë/Đjakovica	1.24	1.25	2.29	1.72
Gjilan/Gnjilane	1.91	2.05	1.77	1.92
Glllogoc/Glogovac	1.61	1.31	2.14	1.67
Gračanicë/Gračanica	3.29	2.88	1.43	2.55
Hani i Elezit/Elez Han	2.00	3.33		2.57
Istog/k	1.43	1.21	1.00	1.18
Kaçanik/Kaçanik	2.00	1.50	2.43	2.08
Kamenicë/a	3.50	1.62	1.70	2.21
Klinë/a	1.29	1.11	1.20	1.23
Lipjan/Lipljan	1.53	1.68	1.25	1.52
Malishevë/Mališevo	2.00	2.39	1.60	2.09
Mitrovicë/a	1.83	1.15	1.04	1.30
North Mitrovica	1.86	1.12	1.14	1.26
Novobërdë/Novo Brdo	2.00	2.38	2.00	2.23
Obiliq/č	2.00	8.25	1.70	3.38
Pejë/Peć	1.35	1.51	1.54	1.45
Podujevë/o	1.91	1.54	1.40	1.65
Pristina (KBRA)	1.98	1.92	2.04	1.98
Prizren	1.73	1.13	1.22	1.35
Rahovec/Orahovac	1.93	1.80	4.67	2.43
Shtërpçë/Štrpce	8.00	1.00		4.50
Shtime/Štimlje	1.60	3.75	1.33	2.38
Skenderaj/Srbica	2.96	1.06	1.75	2.18
Suharekë/Suva Reka	2.17	3.50	2.00	2.60
Viti/Vitina	1.50	1.54	1.29	1.44
Vushtrri/Vučitrn	2.59	1.65	2.40	2.16
Average	1.92	1.68	1.80	1.79

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

*Green color represents 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 July 1 - September 30, 2017. Unlike previous reports where the most registered form was the Individual Business, data for this quarter shows that the most registered legal form of business organization is the Limited Liability Company (LLC), followed by the Individual Business. The most deregistered legal form of business organizations for this quarter is the Individual Business and LLC.

Table 2: Number of business organizations registered and deregistered by legal form, July - September 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	July	365	1	-	363	2	5	1	737
	August	420	1	-	406	2	2	-	831
	Sept.	322		-	345	1	5	-	673
	Total	1,107	2	0	1,114	5	12	1	2,241
Business Organizations deregistered	July	73	1	-	6	1	1	-	82
	August	94	4	-	13			-	111
	Sept.	99		-	6			-	105
	Total	266	5	0	25	1	1	0	298

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.

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

Country of origin of foreign companies	Branches of foreign companies
Turkey	4
Switzerland	3
Albania	2
Germany	1
Macedonia	1
Netherlands	1
Total	12

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 July - September 2017, a total of 2,241 business organizations were registered, from which 186 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, July - September 2017:

Month	Individual Business	General Partnership	Limited Partnership	Limited Liability Company	Joint Stock Company	Agricultural Cooperative	Total
July	10		1	47	1	-	58
August	8	1	1	62	1	-	72
September	15			41		-	56
Total	33	1	2	150	2	0	186

*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 2,241 business organizations registered during this period in Kosovo, the total number of foreign persons as owners, partners or shareholders is 249. As shown in Table 4, the most registered legal form of business organization among foreign persons is 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 12.

VIII. REGISTRATION OF BUSINESS ORGANIZATIONS BY GENDER

Data in Chart 4 and 5 present the gender participation in business organizations registered during the period July 1 - September 30, 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 in larger or more diverse business organizations.

Chart 4 shows 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 in their participation.

Chart 4: Percentage of Individual Businesses by Gender, July - September 2017:

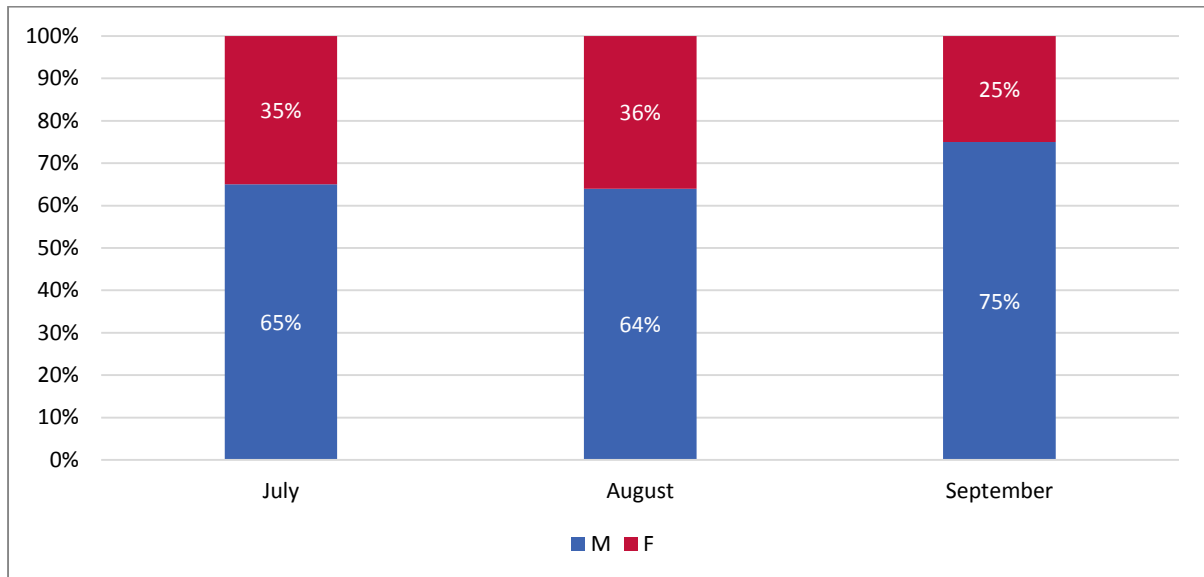
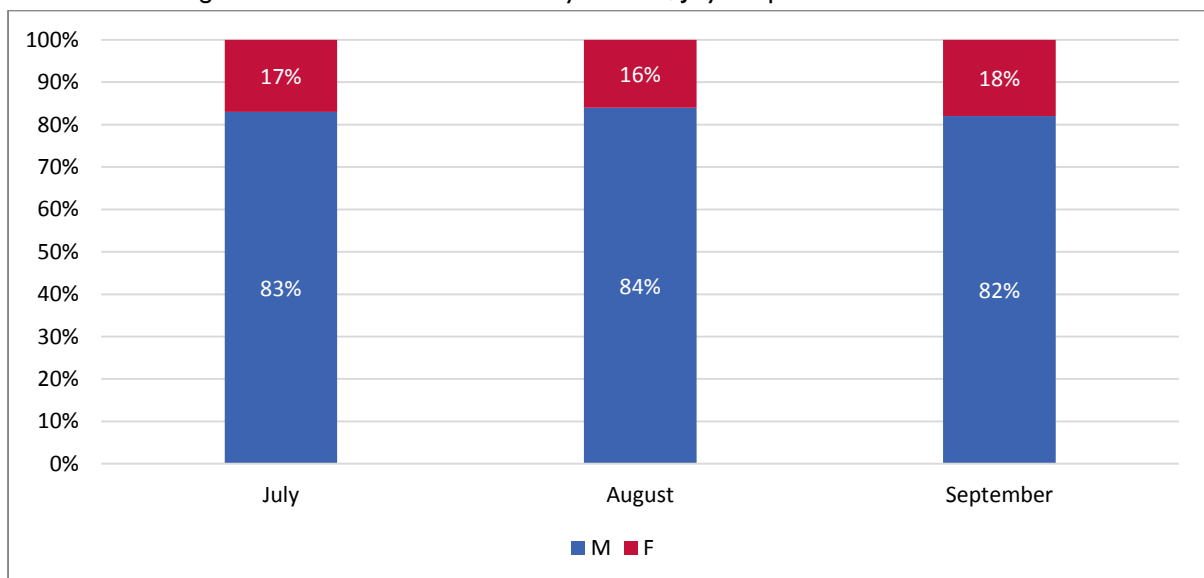


Chart 5 shows the percentage of partners or shareholders of business organizations by gender registered during the period July - September 2017, excluding individual businesses and branches of foreign companies.

Chart 5: Percentage of Partners and Shareholders by Gender, July - September 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, which is currently in the process of edit and amendment;

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

USAID Partnerships for Development Project will continue to support this approach until full institutionalization.

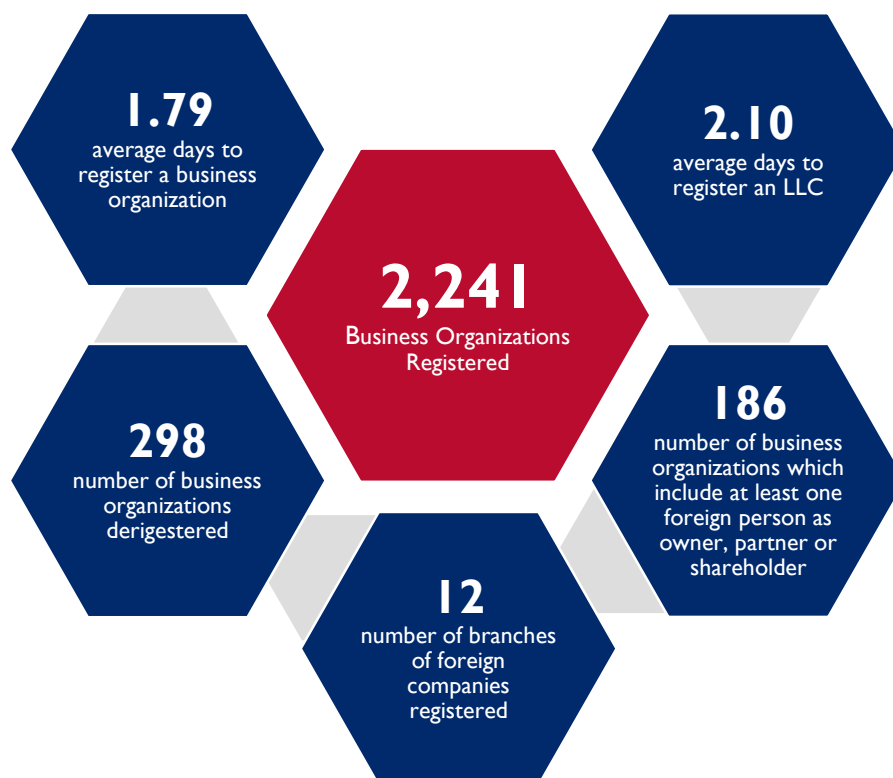
QUICK FACTS ON BUSINESS REGISTRATION IN KOSOVO

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

This report and summary were prepared by the Kosovo Business Registration Agency (KBRA) with support from 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 JULY – SEPTEMBER 2017



SUMMARY FOR THE PERIOD 1999 – SEPTEMBER 2017

