



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

**BASIC PERFORMANCE INDICATORS REPORT ON  
BUSINESS REGISTRATION IN KOSOVO FOR THE PERIOD:  
JULY – DECEMBER 2016**

**KOSOVO BUSINESS REGISTRATION AGENCY**

**APRIL 2017**

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# I. INTRODUCTION

This report is a result of joint assessment conducted for the second half of 2016 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 business organizations in Kosovo, by types of business organizations;
- Percentage of women-owned individual businesses, and
- Percentage of partners or shareholders by gender in business organizations in Kosovo.

The Partnerships for Development Project, as well as previous projects funded by USAID, have continuously supported MTI and KBRA through legal improvements, staff training, capacity building and other activities aimed at improving the business registration process.

These activities have contributed to the considerable reduction of the time required for business registration and the elimination of steps in the business registration process, as reflected in the World Bank’s Doing Business Report where Kosovo’s rank improved from the 170<sup>th</sup> place in 2012 to the 13<sup>th</sup> in the world in the 2017 report.

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 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 the 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 Company, Joint Stock Company, Branch of Foreign Company and Agricultural Cooperative.

For the purposes of this report, days have been calculated based on the measurement of work days. With some exceptions when the measurements were done for the period since the beginning of business registration in 1999, the report corresponds to the time period from July 1, 2016 until December 31, 2016.

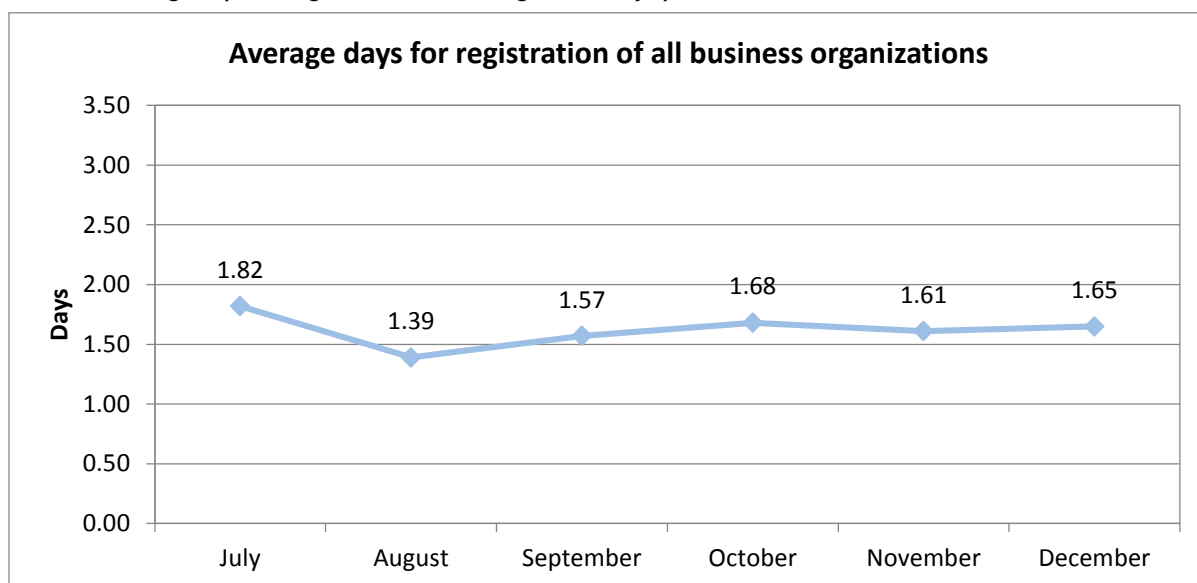
## II. AVERAGE DAYS TO REGISTER A BUSINESS

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 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 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 period July 1, 2016 – December 31, 2016, the average number of days to register a business in Kosovo decreased from 1.82 to 1.65 days.

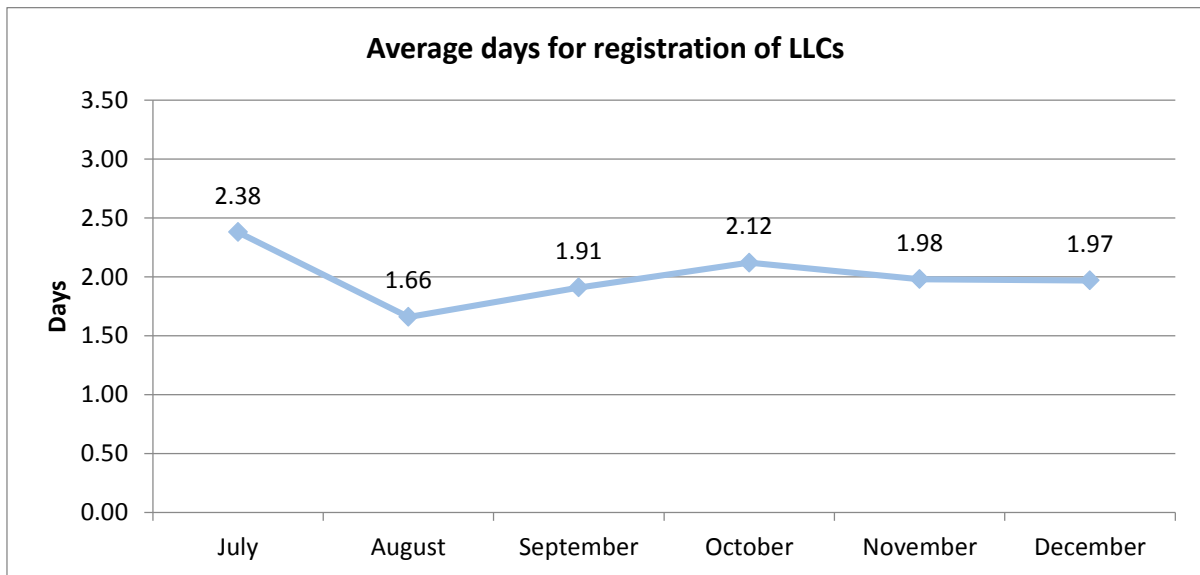
Chart I: Average days to register a business organization, July - December 2016:



### III. AVERAGE DAYS TO REGISTER AN LLC

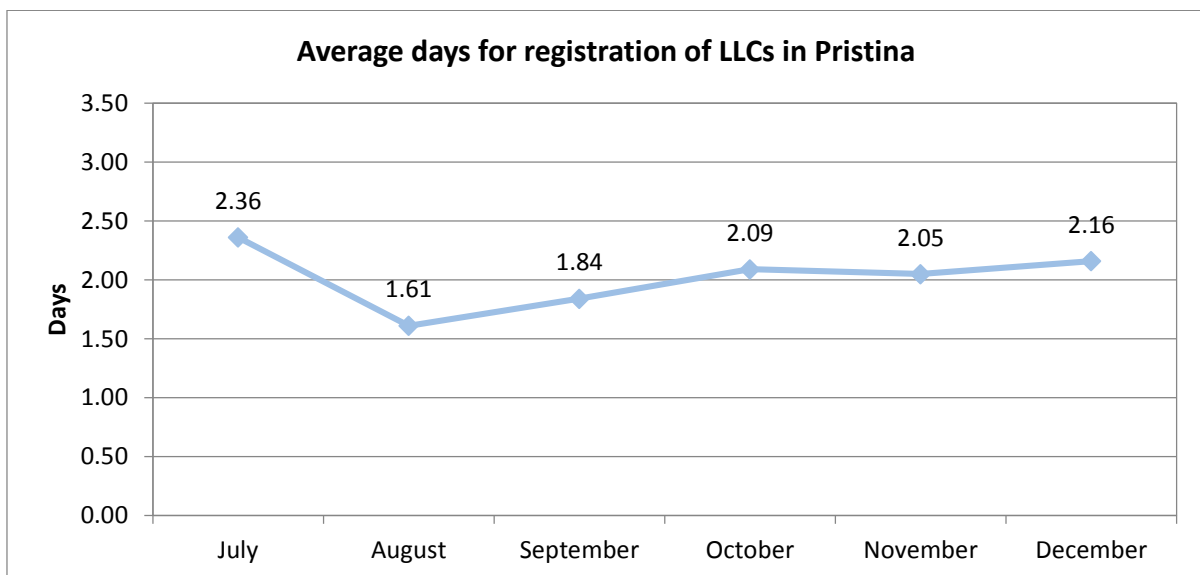
As the most common corporate form, this section of the report analyzes the time required to register a Limited Liability Company (LLC). Chart 2 below shows that from July 1, 2016 until December 31, 2016, the average number of days to register an LLC in Kosovo decreased from 2.38 to 1.97 days, which represents a 17.23% improvement in time for registering an LLC during this period.

Chart 2: Average days to register an LLC, July - December 2016:



Furthermore, Chart 3 below shows the average days to register an LLC in the KBRA Business Registration Center in Pristina. As it is seen in Chart 3, the average number of days to register an LLC decreased from 2.36 to 2.16 days, which represents an 8.47% improvement in time for registering an LLC during this period.

Chart 3: Average days to register an LLC in the business registration center in Pristina, July - December 2016:



## 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 centers during the period July 1 - December 31, 2016. 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 in the registration center in Gjilan/Gnjilane, even though it is possible that this business organization had registered in 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, July – December 2016:

Registration Center	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
Dečan/Dečane	1.59	1.13	1.20	1.14	3.00	1.57	1.50
Dragash/š	1.22	1.20	1.00	1.00	2.00	1.00	1.15
Ferizaj/Uroševac	1.99	1.38	1.97	1.74	1.36	1.44	1.67
Fushë Kosovë/Kosovo Polje	1.71	1.33	1.74	1.70	1.92	1.96	1.74
Gjakovë/Đjakovica	1.62	1.35	1.33	1.36	1.19	1.11	1.36
Gjilan/Gnjilane	1.43	1.19	1.41	1.67	1.29	1.51	1.42
Gllugoc/Glogovac	1.29	1.18	1.60	1.48	1.63	1.50	1.44
Gračanicë/Gračanica	5.00	1.00	1.50	3.00	1.88	1.80	2.17
Hani i Elezit/Elez Han	2.33		2.00	1.00	1.80	1.25	1.73
Istog/k	1.60	1.23	1.23	1.36	1.71	1.81	1.51
Kaçanik/Kaçanik	2.50	1.10	1.38	1.30	1.40	1.60	1.55
Kamenicë/a	1.85	1.00	2.71	1.60	1.43	1.43	1.66
Klinë/a	1.40	1.18	1.21	1.64	2.63	1.36	1.51
Lipjan/Lipljan	1.79	1.48	1.67	2.33	1.86	1.50	1.81
Malishevë/Mališevo	2.60	3.69	1.31	1.00	1.17	1.20	1.92
Mitrovicë/a	1.51	1.14	1.38	1.43	1.42	1.31	1.39
North Mitrovica	1.38	1.44	1.30	1.31	1.47	1.85	1.45
Novobërdë/Novo Brdo	1.29	1.50	1.00	1.00	1.00	1.00	1.21
Pejë/Peć	1.51	1.17	1.24	1.24	1.16	1.33	1.28
Podujevë/o	1.81	1.12	1.40	1.83	1.46	1.40	1.46
Pristina (KBRA)	2.10	1.48	1.70	1.96	1.90	2.02	1.84
Prizren	1.70	1.30	1.28	1.42	1.34	1.18	1.38
Rahovec/Orahovac	1.37	1.17	2.94	1.38	1.23	1.27	1.49
Shtërpçë/Štrpce	2.00	3.00	1.25	1.00	2.00	1.75	1.77
Shtime/Štimlje	2.57	2.45	1.75	1.92	1.44	1.78	1.98
Skenderaj/Srbica	1.87	1.43	1.31	1.50	1.26	1.16	1.46
Suharekë/Suva Reka	1.75	1.37	1.40	1.86	1.38	1.64	1.59
Viti/Vitina	1.89	1.13	1.24	1.53	1.20	2.14	1.53
Vushtrri/Vučitrn	2.95	1.92	1.33	1.78	1.54	1.59	1.80
<b>Average</b>	<b>1.82</b>	<b>1.39</b>	<b>1.57</b>	<b>1.68</b>	<b>1.61</b>	<b>1.65</b>	<b>1.62</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.

## 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 organizations and by month of registration for the period July 1 – December 31, 2016. The data shows that the most registered legal form of business organization is the Individual Business followed by the Limited Liability Company. Likewise, the most deregistered legal form of business organization for the period July – December 2016 is the Individual Business and the Limited Liability Company.

Table 2: Number of business organizations registered and deregistered by legal form, July - December 2016:

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	529	3	-	251		5		788
	August	539	1	-	282	3	6		831
	September	490	2	-	372	1	4	1	870
	October	518	2	-	338	3	4		865
	November	388	3	-	310	2	5		708
	December	371	1	-	317	3	6	2	700
	<b>Total</b>	<b>2,835</b>	<b>12</b>	<b>0</b>	<b>1,870</b>	<b>12</b>	<b>30</b>	<b>3</b>	<b>4,762</b>
Business Organizations Deregistered	July	142	4	1	9	-	-	-	156
	August	130	3		7	-	-	-	140
	September	147	2		4	-	-	-	153
	October	165	2		11	-	-	-	178
	November	144	5		13	-	-	-	162
	December	144	3		14	-	-	-	161
	<b>Total</b>	<b>872</b>	<b>19</b>	<b>1</b>	<b>58</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>950</b>

Table 3 presents the overall existing situation regarding the registration and deregistration of business organizations for the period 1999 – 2016 (December 31).

Table 3: Number of business organizations registered and deregistered by legal form, 1999-2016:

Period 1999- 2016	Individual Business	General Partnership	Limited Partnership	Limited Liability Company	Joint Stock Company	Branch of Foreign Company	Agricultural Cooperative	Total Business Organizations
Business Organizations Registered	138,953	3,909	90	19,879	724	833	98	<b>164,486</b>
Business Organizations Deregistered	13,633	368	2	532	29	76	3	<b>14,643</b>
Total Business Organizations	125,320	3,541	88	19,347	695	757	95	<b>149,843</b>

## 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 5 below shows the total number of branches of foreign companies registered in Kosovo pursuant to the Law on Business Organizations, by country of origin, for the period July – December, 2016.

Table 4: Branches of foreign companies registered in Kosovo by country of origin, July - December 2016:

Country of origin of foreign company	Branches of foreign company
Albania	9
Switzerland	4
Turkey	4
Croatia	3
Greece	2
Romania	2
Sweden	1
Panama	1
Luxembourg	1
Macedonia	1
Italy	1
Netherlands	1
<b>Total</b>	<b>30</b>



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

The data in Table 5 present the number of business organizations which include at least one foreign owner, partner or shareholder. During the period of July - December 2016, a total of 4,732 business organizations were registered, from which 352 have had 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 4.

Table 5: Number of business organizations including at least one foreign owner, partner or shareholder, July - December 2016:

Month	Individual Business	General Partnership	Limited Partnership	Limited Liability Company	Joint Stock Company	Agricultural Cooperative	Total
July	3		-	28		-	31
August	16		-	43		-	59
September	13		-	56		-	69
October	13		-	49		-	62
November	20	2	-	60		-	82
December	7		-	41	1	-	49
<b>Total</b>	<b>72</b>	<b>2</b>	<b>0</b>	<b>277</b>	<b>1</b>	<b>0</b>	<b>352</b>

\*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 4.

From 4,732 business organizations registered during this period in Kosovo, the total number of foreign persons as owners, partners or shareholders is 493. As shown in Table 5, the most registered legal form of business organizations among foreign persons is the Individual Business and the Limited Liability Company. Also, in Table 4, you can see the total number of branches of foreign companies registered during this period, which is 30.

## 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 July 1 – December 31, 2016. 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 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.

Chart 4: Percentage of Individual Businesses by Gender, July - December 2016:

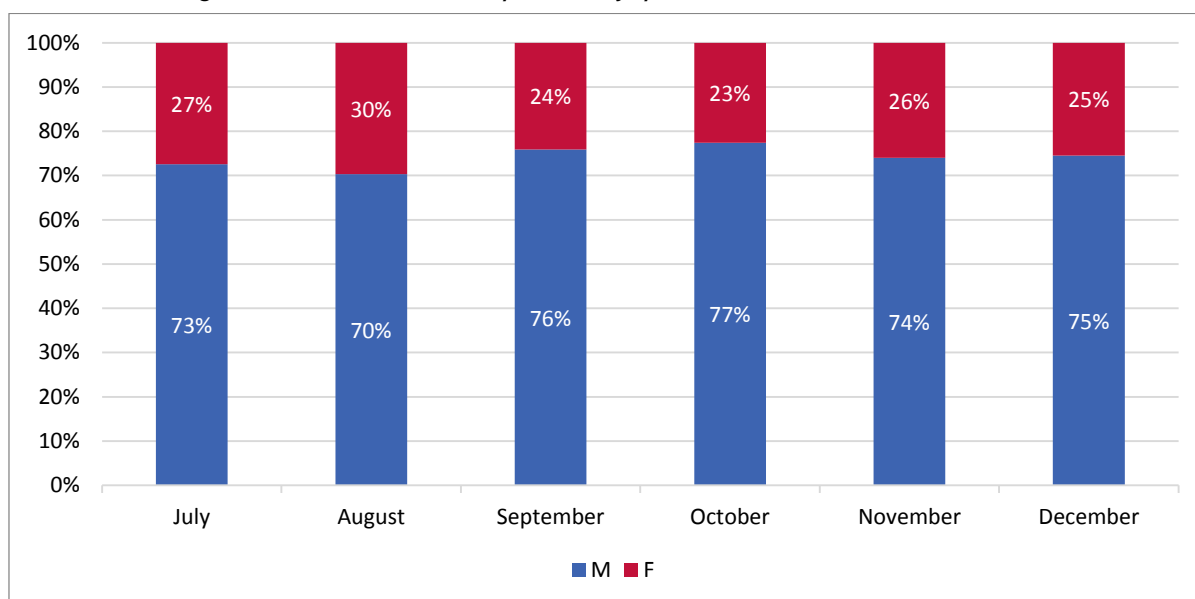
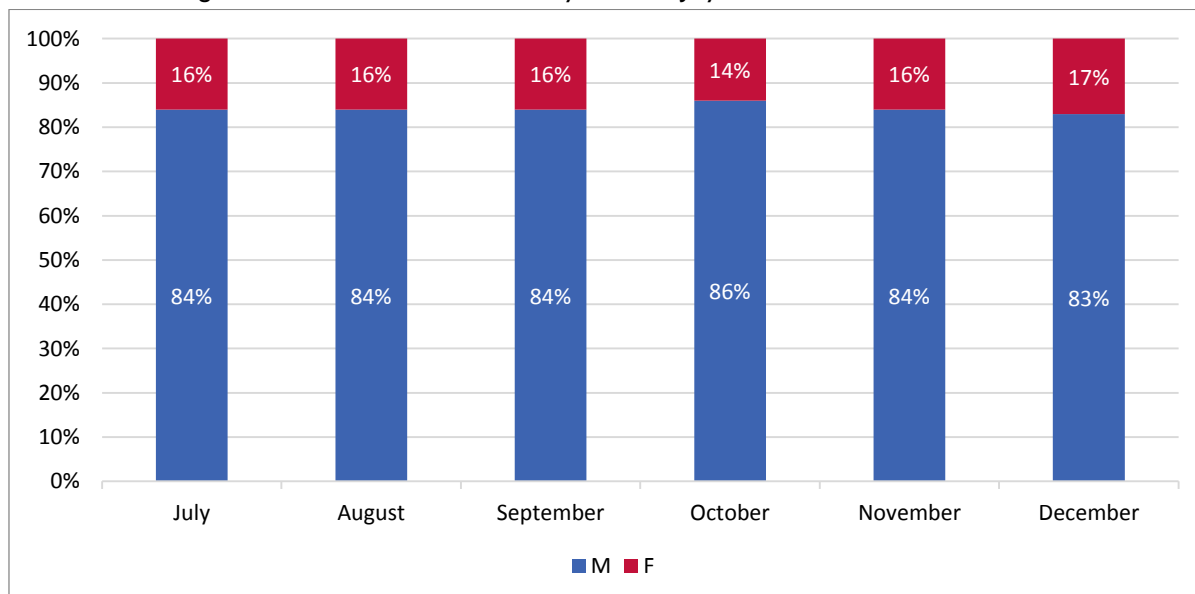


Chart 5 reflects the percentage of partners or shareholders of business organizations by gender registered, excluding individual businesses and branches of foreign companies.

Chart 5: Percentage of Partners and Shareholders by Gender, July - December 2016:



## 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 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 registration applications 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 reproduced by KBRA and the 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 this approach until full institutionalization.

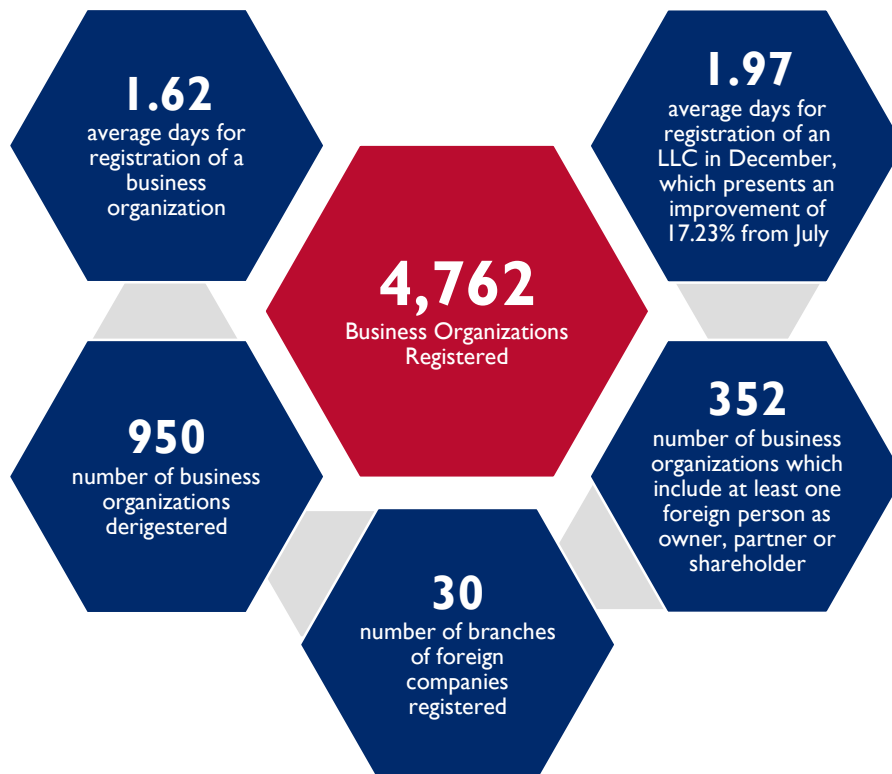


# QUICK FACTS ON BUSINESS REGISTRATION IN KOSOVO

Below is a quick summary of the data presented in the “Basic Performance Indicators for Business Registration in Kosovo” Report for the period of July – December 2016.

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 JULY – DECEMBER 2016



## SUMMARY FOR THE PERIOD 1999 – DECEMBER 2016

